THE FINANCIAL POST

The Canadian Newspaper for Business Men and Investors

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LOWER FREIGHTS AND WAGES SHOULD MEAN GOOD TIMES

Important Announcements in States Which Reflect on Canada

MANY BENEFITS

Cheap Transportation Means More Manufacturing, More Employment, Lower Prices and More Advantages

The importance of the inter-related problem of railroad rates and railroad wages in its bearing on the business situation has so often been emphasized in this column that the significance of the recent announcements in the United States of reductions of both freight charges and the wages of railroad workers will be appreciated. Throughout America there is perhaps no more important economic factor than transportation—not necessarily cheap transportation, but efficient transportation in the fullest meaning of the phrase. Apart from the budget which is dealt with elsewhere—and which is objectionable in details rather than in general principle—the transportation news is by far the most important of the recent developments in the industrial and commercial world.

Canada is not directly governed by the railroad rates and wages prevailing in the United States, particularly since the government has become such an important factor in railroad operation. But fundamentally the conditions are the same and the reductions now being made on the other side of the line will have their influence here just as did the advances. However, so far as the actual rate reductions are concerned it should not be overlooked that in a great many instances the cuts now ordered in the United States have already been made in Canada by operating executives who realize that the success of their roads depends largely upon the volume of business and that this can best be increased by reductions which will tend to increase the movement of goods. This has applied particularly to raw materials which in turn have meant increased freights in finished products.

Wide-Reaching Benefits

Not only should lower freight rates mean greater profits to Canada's agricultural class but more general and far-reaching benefits to the people as a whole. Lower costs of transporting raw materials and finished articles mean lower production costs and lower prices to the consumer, greater demand and more employment with cumulative benefits to the whole community. To make these reductions lower wages are necessary to the reduction of costs. The lesson has already been learned in the United States that to prevent the railroads making a fair income means the discouragement of capital and the undermining of transportation efficiency. This is a lesson which Ottawa should not ignore, in dealing with the rate questions. The buying power of railroad workers is of course reduced but all other workers and other classes of the community benefit—and it is recognized that railroad workers have been paid wages which have meant a burden on the general public including other classes of labor.

That the benefits of reducing rates on raw materials rather than on agricultural products are more widespread would seem to be indicated by the fact that in the United States statistics show that while farmers may have increased their profits as the result of lower rates on stock and grain there has been an increase in the volume of traffic in these commodities. The railroads have lost the whole amount involved in the reduction. On the other hand where rates on materials have been reduced the volume of business has increased. The railroads have been able to thus temper their losses and the larger movement has indicated revival of industry, lower prices to benefit the consumer and more employment for the workers.

Business Situation

In most lines business improvement is still more anticipated than actual and the tariff changes have had their upsetting effect in several directions, particularly in the automobile and domestic sugar industries. However, there are increasing evidences, that there is a big reserve buying power on the part of the people resulting from money saved during the war period and when individuals get to a point where current

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Ottawa, Not Quebec, Should Act

The Attorney-General of the Province of Quebec is taking a hand in the Merchants Bank case, and an indictment will be presented to the Grand Jury under his direction. A True Bill may be returned and the former general manager may be tried again on the charge of wilfully making false returns. The charge against the president of the bank will also be prosecuted in spite of the dismissal by the same judge of the Macarow charge. Acquittal may be the final result in both instances, but these court investigations will evidently fail to get at the heart of the wrecking of the bank.

These trials have now resolved themselves in the public mind into more or less technical inquiries. The Thornton Davidson case, the most important, as it was the most costly, and at the same time the most mysterious, cannot be touched, simply because there was, technically, a "return" made of this in the bank statement. It is thus ruled out of court. The crown prosecutor cannot ask why it was that a partner of the brokerage firm was allowed to withdraw hundreds of thousands of dollars out of the firm's account and deposit to his own personal account or accounts, at a time when this firm was heavily involved, and, as has been declared on oath, was already insolvent. This is one of the vital questions that must be solved. How and Why the Merchants Bank was wrecked must be settled, and not so much in the interests of the shareholders of this one bank as for the good name of the Bank Act under which every other chartered bank in Canada to-day is operating.

And only, it would appear, a Royal Commission appointed by the Finance Department at Ottawa can get at the bottom of it all. This must be done.

Is Taxation Only Way To Cut National Debt?

Canada is Still Piling Up Burden of Debt While Other Nations Are Cutting Liabilities—Retrenchment Is Imperative

At December 31, 1919, the British national debt stood at £8,079,000,000. At the end of April of this year it had been reduced to £7,687,000,000. Substantial reductions have been effected as well in the floating debt. In the United States the way has been paved for a reduction of the tremendous debt of that nation incurred during the war and many bonds have already been redeemed. At January 31 the U. S. debt was only 92% of the 1919 total. Yet Mr. Fielding had to confess to an increase of $86,000,000 in the net debt of Canada during the fiscal year ending March 31, 1922. True this was the smallest increase that has been noticed in any fiscal year since 1914 but at a time when debt reduction rather than debt increase is essential this gives little satisfaction.

The following figures merit close study. They indicate the net debt of Canada at March 31 in each of the years mentioned and also the increase over the figure of the previous year;

Mar 31.	Total	Inc. in year
1914	$335,996,850	....
1915	449,376,083	$113,379,233
1916	615,156,171	165,780,088
1917	879,186,298	264,030,127
1918	1,191,884,063	312,697,765
1919	1,812,584,819	620,700,756
1920	2,248,868,624	436,283,805
1921	2,340,878,983	92,010,359
1922	2,427,296,798	86,417,815

Why Debt Increased

The large increase came in the year ended March 31, 1919 which included the 1918 Victory Loan. In the following fiscal year came another Victory loan. We were paying off our floating debts and meeting demobilization expenses. But why the increase of $92,000,000 in 1920-1921 and of $86,000,000 in 1921-1922, long after the war? Mr. Fielding explained it by pointing out that while in each of those years Canada had an apparent surplus — $73,000,000 in the first year and $33,000,000 in the second—we were making expenditures on capital account that were not charged to our ordinary income. These expenditures were sufficient to wipe out any apparent surplus and add considerably to the national debt. Cost of loan flotations, demobilization and expenses arising out of the war were included. The gourmand appetite of the railways for money to meet deficits is however the big reason why Canada's debt is increasing.

The Minister of Finance recognizes the need for immediate steps to reduce the national debt. In his budget speech he said, "We should endeavor to balance our budget; that is to pay all classes of our expenditure," and added a moment later, "If we are to avoid that situation we must accept the responsibility for additional taxation."

There is room for serious study by business men of this whole question of Canada's debt. Is additional taxation the only course to pursue to bring about a turn towards the other direction—annual decreases instead of annual increases in the debt of the country? Undoubtedly business men will feel that rather than impose additional taxation upon an already overtaxed business and financial community the Dominion Government could provide relief by curtailing expenditures. Further coordination of the national railway—the grappling of this great problem under business rather thn political leadership—curtailment of expenditures in every department of government, where curtailment can possibly be brought about would provide a better solution of the problem than a dozen new taxes.

When a good business man finds he is going behind he starts in to cut expenditures. He knows that he can effect savings in that direction when he cannot increase revenue. The same business principle could very well be applied at Ottawa.

TO SEEK AMERICAN AND BRITISH CAPITAL

As a result of the apparent failure of the Prince George pulp mill project to materialize, the provincial government will obtain all available information relating to pulp opportunities along the line of the Canadian National Railway (G. T. P.) and advertise extensively in the United States and Great Britain with a view to encouraging the investment of capital.

RESEARCH PLAN OF LLOYD HARRIS INTERESTS WEST

Indicates Big Manufacturers Depending Less On Tariff

THE WESTERN VIEW

Attitude of Ontario Branch Of C.M.A. on Mr. Harris' Preference Suggestion Regarded as Old-fash-

From Our Own Correspondent.

WINNIPEG—The Lloyd Harris' plea for a continuance of scientific research in the further development of Canada's natural resources is meeting a ready acceptance in the West. There will unquestionably be an increasing disposition to accept the proposal as an offset to tariffs which Western Canadians invariably find a bugbear. Such a speech from a manufacturer and business man of Mr. Harris' standing is regarded in Winnipeg as significant. The Manitoba Free Press, concurring in the opinion of The FINANCIAL POST, considers that "his experience as a manufacturer and the knowledge which he has gained of export trade should qualify him to speak with authority on the best policy for the manufacturers of this country to adopt."

Politics considered and politics apart there can be no denying that Western business opinion inclines to the view that a lowering of tariff walls would benefit the West. The fact that the Toronto and Ontario branch of the C.M.A. has shown its opposition to the Lloyd Harris' suggestion of free trade within the Empire leads the Manitoba Free Press to remark that "they are not ready to cease making a fetish of the tariff."

Says the Winnipeg paper:

> "The proposed high tariff in the United States, which is exactly in line with the past views of some of our Canadian manufacturers, is a great object lesson, as Mr. Harris points out. Many Americans who might be supposed to favor such a policy are shrewd enough to see that one of its effects will be to seriously curtail export trade, since foreign countries which are ready to purchase in the United States would be largely prevented from paying for their purchases with exports of their own. The history of the last few years in world trade has also taught the lesson of the dependence of one country upon another. By lowering its tariff wall and devoting itself to the intelligent and scientific development of its great resources Canada will receive far greater benefit from international trade than it could by adhering to the old policy of protection."

At the present time the only industrial experiment in Western Canada of significance is the provincial government's lignite venture. The cessation of foreign capital has retarded fuller development in the post-war years of the West's natural resources apart from those directly linked with the agricultural industry. However, there is a disposition here in Manitoba to look for greater activity in the mineral and pulpwood areas of the province from now on.

Pudlic Service Buyers Side-Track The Canadian Manufacturers

The reference last week to the complaints of Canadian manufacturers that the Ontario Hydro and Toronto Transportation Commissions were buying goods abroad that could be had "Made in Canada" of equal quality and at as reasonable prices has touched a very tender spot—one on which there is very strong feeling. A number of new cases have been submitted to us and it is pointed out that they are not confined to these two Commissions, but that practically all public service buying shows a sympathy for foreign-made machinery and appliances of all kinds. There is marked willingness to place orders through a group of agents of foreign firms rather than direct with Canadian manufacturers. Many of these agencies are formed specially to sell to public service—that is the municipal, governmental or commission—buyers. Their salesmen are experts in handling public bodies. Sometimes it will be found that the same men are the real owners of several such agencies. An undue portion of the most profitable business goes to them. Canadian manufacturers have no chance in competition as in many cases these agencies are so close to the authorities that they actually draw the specifications under which the tenders are called for and they are so worded that no Canadian manufacturer, no matter how superior his goods, can get the order.

Here is a case that was brought before us some months ago. A manufacturer, one of the oldest and really famous in Ontario, has been doing a world trade in one article because of its superiority. It is used by most big manufacturers and in nearly all municipalities and runs into a good deal of money. No experienced Canadian manufacturer would think of going abroad to buy. Yet the buying authority in one of our largest cities in calling for tenders for this article, so worded the specifications that no Canadian manufacturer could possibly comply. The order went abroad.

This manufacturer would have made the matter public, when undoubtedly he would have secured the order, but he—and there are many others like him—did not want to waste the time on it and, worse than that, to incur the enmity of the civic authority which, experience showed, would kill his chances for future orders. Editors of THE POST and various business papers have been appealed to on several occasions by manufacturers, and as a result private representations were made to higher authority which resulted in the order going to Canadian manufacturers. One of these was a very large order. The Minister of Trade was seen by the manufacturers, but he refused to help as it was in another department. A representative of THE POST saw the Cabinet Minister whose department was placing the order. The minister knew nothing of it, was grateful for the hint and saw that the order that had gone to the U. S. through one of these agencies at Ottawa was promptly cancelled. Of course this official has ever since refused to aid THE POST writers seeking news. He thinks our interference unwarranted. He cannot see that it was not only a service to one of our clients but to Canadian manufacturers generally.

But this is not the way to meet these situations. Editors with the prestige of business papers back of them can generally obtain prompt attention. The proper man to deal with the problem is the General Manager of the Canadian Manufacturers' Association. Public buyers cannot vent their spite upon him and the business paper editors can back him up.

The present general manager is not the man. A capable transportation executive he may be, but the general manager who will get results must be a broad, strong man of the Beatty type. Why can not the united manufacturers of Canada, whose invested capital far exceeds that of the C.P.R., get an official who can represent them properly, and use effectively the work of service officers? Put a man like John Shaw the V.-P. of the C.M.A. on this job and he will earn for Canadian industry his salary many times each year. But don't take this as our endorsement of Mr. Shaw in general, because we don't always agree with his policy or methods. If we could combine the tactful, calculating, capable inoffensiveness of the C.M.A. president with the outspoken aggressiveness and discipline of the vice-president in one man as general manager, the manufacturers of Canada could be quickly brought back to the place they deserve in public confidence and esteem which for so long they deservedly held.

Making All Roads Lead To Canada

"ALL ROADS lead to Montreal," says the heading of an attractive advertisement of a road-building company on the first page of the Saturday Evening Post, where it will be read by millions of Americans, arousing their interest in picturesque French-Canadian scenery and structures. "Good roads have now opened up to the American tourist this unique and interesting old city," continues the advertisement, which explains how in 1913 the Quebec government built the famous King Edward Highway, 45 miles long, from Montreal to Rouse's Point, New York, linking up with a roadway system which leads through the Adironacks and Lake Champlain country; "Sherbrooke Street West, the Fifth Avenue of Canada, has become the common meeting ground for cars from California to Florida and from Maine to Texas."

In spending large sums on the improvement of Ontario's roads, Hon. E. C. Biggs, has made the statement that American tourists would eventually return every cent of it. To judge by the experience of Quebec and the big tourist traffic to Vancouver from the Pacific States which has brought large sums of money to that city, there is much to justify what Mr. Biggs has said, not to mention the fact of a couple of hundred thousand motor cars in the province which need proper roads to run over. When American tourists can reach the Muskoka country by well-made highways Ontario will benefit from her investment in road building as Quebec and British Columbia have done. Other provinces can do likewise.

Montreal will reap considerable benefit from the advertisement of the road building company referred to. In Vancouver systematic publicity campaigns in the American cities down the coast have brought direct and material results in business to Vancouver merchants. The idea should be extended. Canada should be widely advertised in the United States to attract the free-spending sightseers and holidaymakers as well as permanent settlers.

The Dominion Government has been urged to do some advertising to attract tourists. THE FINANCIAL POST understands that the idea has been well received at Ottawa but that there is a feeling that there is no money available for this purpose at present. If the government appropriations promised to bring as great benefits as money spent in advertising Canada's tourist attractions in the United States at this time there would be less complaint about the taxes—and less taxes perhaps, to complain about. Surely if "All roads lead to Montreal," then all the roads must also lead to Canada.

EUROPEAN CROP IS NOT SATISFACTORY

Reports received by the U. S. Department of Commerce from commercial attaches in Europe do not indicate a good crop outlook. German crops are not promising, prospects being less than a year ago. No grains are reported in more than fair condition. Much of the winter sowing was frozen, and spring plowing is late in all parts of Germany. Agricultural labor is scarce.

French crops are not as good as a year ago, but situation is not discouraging. Perhaps 1,500,000,000 francs must be spent abroad this year to make up the deficit between domestic consumption and production of wheat.

CHECK TAX PUTS BURDEN ON WHOLE FABRIC OF CREDIT

Restrict Trading and Increase Cost of Borrowing is Claimed

TAXES AT SOURCE

And Burden Will Reach Individuals Through Other Forms of Taxation

Very serious alarm is felt by financial men concerning the newly imposed tax of 2 cents per $50 on checks and bills of exchange and the more bond men and others study the question the more serious is their concern. This feeling of alarm is not the ordinary resistance that may be expected from the imposition of any kind of new tax; investment and financial men feel that in imposing the tax Mr. Fielding overlooked the nature of their business, and failed to consider the actual effect upon them of its operation.

Trust and loan officers and insurance men have already made strenuous protests. Some companies will pay out as much as $35,000 a year in stamp taxes under the new arrangement although thousands of checks will pay taxes that are issued in transactions involving no profit to any parties.

The investment bankers are placing a brief before the Minister of Finance and they have made a strong case. Study of the tax reveals that it will affect the investment bankers and especially the larger "wholesaling" bond houses to a greater degree than any others in the financial community.

One of the first results it is felt will be the abolition of what has come to be called the "nickel market" in Victory bonds. Trading in Victory bonds has resolved itself into a condition where the dealer takes only $50 on each $100,000 sale of bonds as his commission or 1/20th of 1 per cent. The new tax on a draft to the customer will amount to $40 of this $50. The recent "certification charge" adopted by the banks—a technical operation that does not require lengthy explanation here—takes an additional $10 per $100,000. Thus the present margin is entirely wiped out. One result will be the establishment of a "one-eighth market" in "Victories"—the basis of margin for the investment brokers going up to ⅛ of 1 per cent. instead of 1/20th of 1 per cent. as at present. And as it is very much in the interests of the people of Canada, as represented by the Minister of Finance, that there should be the widest possible trading in Victory bonds on a small margin of profit to the dealers they feel that the new tax is certainly not in the best interests of the country insofar as it affects Victory bond trading.

Another Serious Feature

So much for the Victory bond side of the story. Let us see how the larger investment houses are going to be affected in other bond trading. Suppose Blank and Co. buy $1,000,000 of bonds from a province. Blank

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BANK ACCOUNTS ABROAD

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LONDON JOINT CITY AND MIDLAND BANK LIMITED
CHAIRMAN:
The Right Hon. R. McKENNA
JOINT MANAGING DIRECTORS:
F. HYDE E. W. WOOLLEY
Subscribed Capital - - £38,117,103
Paid-up Capital - - - 10,860,852
Reserve Fund - - - 10,860,852
Deposits (Dec. 31st, 1921) - - 375,117,092
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TAKE THE TARIFF OUT OF POLITICS SAYS JUDGE GARY

Scientific And Not Political Principles Should Apply

BASIS OF PROTECTION

All Producers Should Be Protected Against Destructive Foreign Competition—Employment For Capital and Labor

By JUDGE ELBERT H. GARY,
Chairman, United States Steel Corporation.

Revision of tariff laws is an intermittent disease. It appears, if not with every session of Congress, certainly with every change of administration. It seems to be considered an important political question, though it ought not to be. It should be discussed and decided strictly upon scientific principles and from the standpoint of fairness to every part of the country, to every department of human industry, to every line of employment and to the public welfare. This was the tendency of public discussions for a time, but it seems there has been an increasing departure from this practice; that the data secured by the National Tariff Commission at large expense has been almost completely ignored in late discussions.

Many years ago I was invited to the White House to consider briefly tariff matters. I commenced by saying: "Mr. President, I favor free trade," and, after waiting for the surprised expression of countenance which appeared, finished by saying, facetiously of course, "for every industry except our own." President Roosevelt, immediately catching the point, replied: "That is exactly the trouble. They laughed Hancock 'out of court' for saying the tariff was a local issue, but he was nevertheless accurate." This little incident illustrates what has always appeared prominent in Congressional investigations and decisions, and the disposition has been shown to the same extent in both parties. Efforts to obtain personal advantage have not been limited to localities, individuals, industries or commodities; they have been universal. Every member of Congress, striving to faithfully represent his own constituency, is more or less selfish and, by argument, persuasion, and sometimes, if rarely, by bargain with other members, contends for and often secures benefits which are more or less local.

Basis of Protection

Tariff rates should be high enough to protect all producers in this country, including capital and labor, against destructive foreign competition, which may come from cheap labor or otherwise, and might drive both domestic capital and labor out of employment. They should protect domestic production fully upon the point of being on a parity with all foreigners as to selling prices in the United States; but they should not be high enough to permit producers to oppress consumers by unreasonable and unconscionable prices.

The determination, from time to time, of this basis, that is, the full and fair application of the principle stated, would involve careful and scientific study and be more or less difficult, but it would not be political. There should be a commission of well paid, high minded, intelligent, competent and non-partisan appointees, authorized to ascertain and communicate the facts and figures, and their reports should be frequent so that, if deemed necessary, a change in or amendment to the tariff laws or any of them could be made at any time Congress is in session. Its members would or should confine their discussions to the question as to whether or not the recommendations came within the principles named.

If tariff laws should be based entirely on the amount to be collected for revenue great injustice might be done the consumer. There are many kinds of imports that are not produced in the United States. On these, if revenue alone is considered, the amount of tax might be unlimited, except as determined by the absolute necessity or the willingness to buy, and it might be oppressive; but while this would add to the treasury of the revenue collector, it would come out of the consumer and, to the extent that it was excessive, it would be oppressive.

Protect Consumers

Fair and reasonable protection to industry, no oppression to the consumers, this is the line to be established and maintained up to the highest point of possibility. To this principle I think we may safely and conscientiously subscribe. For its application good business will lend its influence.

We have able, fair-minded men in Congress and they are not afraid to vote against tariff rates they believe are too high or too low. It is to be hoped the tariff agitation now pending will soon be ended and that the bill adopted will not especially help or hurt either political party, and that it will help business.

BRAND NAMES MUST DESCRIBE TRUTHFULLY

Significant Judgment Rendered In the United States Supreme Court

The use of labels or brand names which do not truthfully describe articles to which they are affixed is condemned in a decision rendered by the U. S. Supreme Court, April 24, in a case brought by the Federal Trade Commission against a Connecticut hosiery company.

The record in the case discloses the fact that the defendant for many years had manufactured underwear for the retail trade bearing the brands "Natural Merino," "Gray Wool," "Natural Wool," "Natural Worsted," or "Australian Wool." Justice Brandeis found that "none of this underwear is all wool," but "much of it contains only a small percentage of wool; some as little as 10 per cent." The Court found further that while the labels, particularly that bearing the word "Merino," have long been used in the trade, the contention that they are generally understood as indicating goods partly of cotton was untenable.

Elucidating the theory of unfair competition as applied in this case the Court said:

"The facts show that it is to the interest of the public that a proceeding to stop the practice be brought. And they show also that the practice constitutes an unfair method of competition as against manufacturers of all wool knit underwear and as against those manufacturers of mixed wool and cotton underwear who brand their product truthfully. For when misbranded goods attract customers by means of the fraud which they perpetrate trade is diverted from the producer of truthfully marked goods. That these honest manufacturers might protect their trade by also resorting to deceptive labels is no defence to this proceeding.

"The fact that misrepresentation and misdescription have become so common in the knit underwear trade that most dealers no longer accept labels at their face value does not prevent their use being an unfair method of competition. A method inherently unfair does not cease to be so because those competed against have become aware of the wrongful practice. Nor does it cease to be unfair because the falsity of the manufacturers representation has become so well known to the trade that dealers, as distinguished from consumers, are no longer deceived."

COAL MINERS REJECT OPERATORS' OFFERS

Coal Consumer's Strike To Be More Serious Than Either Operators or Miners

A difference of 41 p. c. now separates miners and operators in the anthracite wage negotiations. When the miners climbed out of the shafts on March 31 they demanded an increase of 20 per cent.

In the eighth week of the strike the operators make their reply to the demands of the miners presented sixty days ago. It is a refusal and a counter proposal, and if accepted it would cut wages in the mines 21 per cent. below the scale that expired March 31.

The operators say this reduction will no more than bring back the miners' pay in line with wages paid in other basic industries. It is their contention that it will "fully maintain the purchasing values of the wages as established by the Anthracite Coal Commission in 1920."

There is evidence aplenty to back this. The United States Bureau of Labor Statistics shows a decrease of 22.9 per cent. in living costs since 1920; and figures of the Industrial Conference Board show a reduction of 24.4 per cent. in the same period. It is a matter of common knowledge that commodity prices have slipped down and the buying power of the dollar has moved up the scale. These figures and this common knowledge make the demands of the miners for a 20 per cent. increase look indefensible and foolish.

Nevertheless, the miners summarily rejected the proposals. The deadlock is as firm as it was on April 1. Separated by a difference of 41 per cent., it will take a long time to bring the bargainers in reaching distance of an agreement unless the miners climb down from their high horse.

NEW B. C. PULP MILL

To Cost $2,000,000—To Be Built By Chicago Interests

For some weeks cruisers have been busy estimating the amount of pulp wood available along the Wigwam and Lodgepole Creeks, tributaries of the Elk River, British Columbia. It is understood that these operations are being conducted by the Government, at the instance of Chicago newspaper interests, which have in view the establishment of a $2,000,000 pulp and paper mill on the Elk, below Elko, provided reserves of pulp wood aggregating 500,000,000 feet can be guaranteed.

91 P.C. NEWSPRINT SENT INTO STATES WAS FROM CANADA

European Competition Limited to Less Than 9% of Total

BIG INCREASES IN 1922

In First Four Months Sales Run 22% Ahead Although Less Than In March

From Our Own Correspondent.

MONTREAL.—Figures supplied by the News Print Service Bureau continue to show that the production and sales of newsprint by Canadian mills are running far ahead of last year. For the first four months of the present year the production was 328,442 tons as compared with 269,965 tons for the first four months of 1921, an increase of 58,477 tons, or 22 per cent. In the first four months of this year the shipments were even greater than the production, some 5,400 tons ahead, and stocks on hand. For the month of April itself the production was 82,757 tons as compared with 85,973 in the month of March and 78,000 in February and 81,000 in January. There are probably two reasons why the sales for the month of April fell below those of March, one being the danger of a coal strike in the United States which caused a number of the publishers to stock up more heavily than they might have owing to the fear that the railways and some of the mills might be in difficulties, and another is that seasonal requirements for March with large Easter advertising ahead are greater ordinarily than the next few months. While the Canadian mills were showing big increases the 31 reporting United States companies showed a decrease during the four months of a little over 5,000 tons or 1 per cent.

Over 91 Per Cent. from Canada

The figures supplied by the Department of Commerce of the United States covering the month of March show no signs of any development in the import of newsprint from Europe. During the month the total importations into the United States amounted to 78,031 tons. Of this Canada supplied 73,119 tons or over 91 per cent.; while Germany supplied 2,080 tons or less than 3 per cent.; Norway, the third largest, 1,262 tons or less than 2 per cent.; and Finland 6,006 tons or less than 1 per cent. That is, of the newsprint imported into the United States during the month Canada supplied over ten times that of all other countries combined.

Pulp Situation Better

The figures covering the importations of pulp are also very favorable insofar as Canadian products are concerned, much more so than were those of February or January, during which a large quantity of Scandinavian pulp reached the United States. In the case of unbleached sulphate the total importations were 12,989 tons of which Canada supplied 10,912; Sweden, 698; and Finland 1,193. In sulphite pulp, unbleached, the total importations were 17,994 tons, of which Canada supplied 9,510 or over one-half; Sweden 2,473; Norway, 550; Germany, 2,599; and Finland, 2,806.

In the case of groundwood pulp the total importations were 11,094 tons, of which Canada supplied 10,428 and Finland, 101, none coming from Germany, Norway or Sweden, and 564 tons coming from England.

In bleached sulphite pulp the total imports were 12,034 tons of which Canada supplied 8,700 and Norway 1,723, Sweden 612, Germany 403, and Czecho-Slovakia, 446 tons. In the case of sulphate, bleached, only 176 tons were imported of which 149 came from the Netherlands. This is a form of product that is not ordinarily manufactured in Canada.

Exports of Paper

	April 1922 Cwt.	April 1922 Value
PAPER—		
Book paper	35	560,000
Newsprint.	1,229,046	4,371,961
Other paper . ..	......	319,542
		4,692,063

	April 1921 Cwt.	April 1921 Value
PAPER—		
Book paper	6,314	83,796
Newsprint	949,269	5,241,893
Other paper . ..	......	405,965
		5,731,654

Exports of Pulp

	April 1922 Cwt.	April 1922 Value
PULP—		
Sulphate Kraft .	163,248	511,615
Sulphite, Blchd..	162,982	654,903
Sulphite, Unblchd.	166,346	452,564
Mechanical . . .	128,957	179,214
Total	621,533	1,798,296

	April 1921 Cwt.	April 1921 Value
PULP—		
Sulphate Kraft .	98,103	424,430
Sulphite, Blchd..	40,711	254,345
Sulphite, Unblchd.	98,744	404,380
Mechanical . . .	64,070	131,427
Total	301,628	1,214,582

The principal countries of destination of these exports were:

	Paper	Pulp	Total
Un. States	$4,031,226	$1,588,806	$5,620,032
Un. King .	122,107	......	122,107
All Other	538,730	209,490	748,220

Exports of pulpwood were smaller in April, being 49,076 cords, valued at $476,344, compared with 96,998 cords valued at $955,983 in March and 73,017 cords valued at $977,537 in April 1921.

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LOOK TO STATES FOR THE SETTLERS WITH THE MONEY

Immigration Alone Will Solve Problems Says Col. Dennis

WHAT OF DEPARTED

The Two and a Half Millions Short in Last Census Figures Has Aroused Imagination of Winnipeggers

From Our Own Correspondent.

WINNIPEG.—When Col. J. S. Dennis, Commissioner of Colonization and Development of the C. P. R. brought his plea for immigration to Winnipeg he found the business interests of the city in receptive humor. The Board of Trade and affiliated interests will probably get behind a campaign to stimulate aggression in the Dominion's immigration policy for it is increasingly evident that the business men of the West are aroused to Col. Dennis' declaration "that colonization and development is the most serious problem with which Canada is faced to-day as the foundation upon which the solution of our railway, industrial and business problems must be based."

The reaction to the plea for further settlement of Canada is expressed by the Manitoba Free Press in the assertion that "every live business man in Canada knows there can be no solution of the great problems with which Canada is faced until there is greater development, more business and more population."

The mystery of Canada's "lost" two and a half millions excites the Winnipeggers. "The census of 1911 shows that we had in Canada a population of seven and a half millions. The immigration returns show between 1911 and 1921, 1,800,000 immigrants came into Canada. Our vital statistics show that during the ten-year period to 1921 the annual increase to our population amounted to 1,500,000. These figures total 11,000,000. As the census of 1921 shows our population as eight and a half millions what became of the other two and a half millions?"

The Manitoba Free Press considers that in trying to solve our present problems of immigration "it would be profitable to try and find out why we lost the two and a half millions" and advances the suggestion that "insofar as conditions in this country were responsible would it not be well to identify these conditions and then see if anything can be done in the way of improving them? This might bring under review matters of the tariff, of taxation, of banking facilities, or railway rates."

The present mission of Col. Dennis to Winnipeg synchronizes with his pioneer trip to the Canadian West. "I arrived in this city 50 years ago this week," he told his great audience, "when there was nothing here but a small village of 1,000 persons and nothing west of here to the Pacific." During these fifty years his activities have been entirely with colonization and development of Western Canada which he insists justifies him in making the statement that to-day colonization and development is Canada's most important problem.

"Our national debt to-day amounts to $2,300,000,000 or an annual charge of $275 for every man, woman and child in Canada. The interest on our national debt amounts to $110,000,000 or an annual charge of $16 per head. The total revenue of Canada in 1913 was about $168,000,000.

"We have in Canada one mile of railway in operation for every 236 people or in the four western provinces one mile in operation for every 110.

"We have in the three western prairie provinces over 25,000,000 acres of land suitable and available for settlement within 15 miles on each side of the existing railway line, non-productive and at present unoccupied. In Ontario last year there were over 5,000 improved farms unoccupied and in Quebec and the Maritime provinces many hundreds of improved farms, also unoccupied and lying idle.

"Unfortunately we have no definite colonization and development policy in effect to-day. Previous to the war we were obtaining large numbers of desirable people and vast amounts of money from Great Britain to aid in the colonization and development of our country, but the war, of course, closed it all down, and since the war nothing seems to have been done to deal with this problem on a broad and comprehensive line.

"It is hopeless for us to expect that the money which we hope to put into the development of the vast natural resources with which nature has blessed Canada can in any way be obtained from Great Britain or Europe.

"We must naturally look to the United States for the money needed. The foregoing facts make it perfectly clear that unless and until a particular and comprehensive policy of colonization and development is adopted and the necessary staff and appropriations provided to carry on the work aggressively, there is little hope of this great problem being solved in the near future, and it is also perfectly clear that unless the business organizations in Canada take and promote interest in the solution of this problem, the outlook is not very bright."

Catholic Church May Buy Sir Adam's London Home

From Our Own Correspondent.

LONDON.—Bishop Fallon's plans for making this city one of the great Catholic educational centres of the Dominion are proceeding quietly but none the less steadily. The latest step is the erection of a monastery which will cost approximately $150,000 for the Sisters of the Precious Blood. Buildings on Talbot St. formerly the home of T. H. Carling are being torn down and work will be proceeded with immediately on the new monastery. Owing to building costs it is unlikely that anything will be done this year in connection with the $500,000 seminary for which plans are prepared and for which Bishop Fallon has collected the funds. There are many rumors regarding the purchase of the home and grounds of Sir Adam Beck by Catholics but no official confirmation is obtainable.

PRICES ARE AGAIN TENDING UPWARD

Reports From All Parts of the World Indicate That Corner Has Been Turned

An upward trend in price movement is now distinctly visible the world over, says the Trade Record of The National City Bank of New York. The "price index figures" as now compiled by the statisticians of the various countries of the world have for the past two or three months hinted strongly at higher prices. The index number worked out by the Federal Reserve Board with reference to th United States, compiled from 100 wholesale price quotations for representative commodities, showed for "consumers' goods" in the month of March, 1922, 157 against 150 in January; for raw materials 147 against 141 in January; for exports 144 against 139 in January; and for imports 111 against 110 in January, and for the entire group a figure of 147 in March, 1922, against 142 in January.

The same authority worked out the British prices by the same process, based upon 95 wholesale price quotations in April, 1922, producing a British index number of 183 for "consumers' goods" in April, 1922, as against 181 in January and February, 1922. For France, the Statistical Bureau of that country states the index number, based upon wholesale prices of a large number of articles, at 362.6 in April, 1922, against 354.2 in February; for Germany the index number of the Frankfurter Zeitung stands at 585 for May, 1922, as against 317 in January and 352 in February, 1922. In Netherlands, the wholesale prices as supplied by the American Consul in Rotterdam show an index number of 162 in March, 1922, as against 161 in January. For India, the index number worked out by local authorities and transmitted by the American Consul stands at 182 in March 1922, against 178 in January; in Japan, the index figure, supplied by the Bank of Japan, stands at 201 in March, 1922, against 199 in August, 1921, and 191 in March of last year.

JAPANESE LUMBER MARKET COLLAPSES

Demand For B. C. Product In Orient Falls Off As Trade Revives In Canada

From Our Own Correspondent.

VICTORIA.—The Japanese market, for months the backbone of British Coumbia's export business in lumber, has virtually collapsed. Prices for cedar logs in Yokohama are reported to be about one-half what they were a few months ago, and apparently the country has entered a general liquidation period. When that period is over the general expectation is that there will be a strong demand in Japan for lumber from this country for at least three years.

China apparently is definitely out of the market for several months on account of the civil war, but it is believed that the republic will develop into a heavy buyer of Douglas fir when the present trouble is over.

Australia has placed a few fairly large orders lately, but, generally speaking, is waiting until convinced that the market has reached rock bottom. That is the traditional attitude of Australian buyers.

All this means that British Columbia's export trade is pretty well shot to pieces at present, and it gives the reason why the recovery of the Eastern rail trade and intercoastal business by way of Panama Canal has been welcomed with such jubilation. Big orders are being received daily from Chicago and other Middle Western and Eastern centres and many of the Eastern mills, with more orders than they can handle, are farming out some of their business to the Pacific coast.

LONDON FINANCIER ADVERTISING OUR MINERAL WEALTH

Possibilities Of Northern Mines Brought Before British Investor

ONTARIO'S PRE-EMINENCE

Canadian Issues Almost Unknown On London Stock Exchange, Listed With Miscellaneous

It has long been the complaint of local mining interests that too little attention has been given by the English investor to the future and possibilities of Canadian gold mines, particularly those in Northern Ontario. This hesitancy on the part of the British investor may be the result of unfortunate experiences in the past, but at last recognition seems due. The London Financier at the present time is running a series of articles on Ontario's mineral wealth, based on the observations and investigations of its special commissioner recently in Canada.

"Enthusiasts look forward to the day when Ontario will be producing more gold than the Rand," states The Financier. "That may appear to some, to be an extravagant expectation, but the results so far obtained justify the hope that before many years elapse, Ontario will have enormously increased its output of gold and that the record of the Rand, if it is not surpassed, will at least be closely approached."

In the first article of this series some thought is given to the present position of Canadian gold stocks on the London market and the comment made is that "one has only to look at the list of mining shares quoted on the London Stock Exchange to discover how small a place Canada occupies in this particular field of investment. There are hundreds of African and Australian shares, but the Canadian mining securities known and dealt in here are not considered sufficiently numerous or important to be separately classified and are included in the nondescript miscellaneous list. As a field for investment of British capital the vast mineral resources of Canada, we repeat, are comparatively unknown and neglected. How long, it may be asked, is that state of affairs to continue? Not for long, we should imagine, unless the British investor, hitherto the pioneer of mineral development in all parts of the world, has completely lost his sense and power of enterprise and initiative.

Investing Imperially

"Recent events in Canada have demonstrated beyond a doubt that the country is rich, how rich can be but dimly conceived, in mineral resources of the most diversified kind and rich beyond the dreams of avarice in payable gold. Their exploitation is merely a question of time. British investors, unless they wish to allow astute American rivals to secure the prize, cannot afford much longer to treat Canada's mineral wealth with apathy and indifference. They must awaken without delay to the great opportunities that lie within their grasp. By investing in Canada they will not only be helping themselves but will be fulfilling the very patriotic duty of investing imperially."

The balance of the report deals with the records of production covering the past few years. The second article deals with the remarkable records in silver production and that "Ontario's output of precious metals is small compared with the production of the mines of the Transvaal; but Ontario's gold industry, it must be remembered, is but in its infancy, and is capable of enormous development, which will be limited only by the amounts of labor, power and, incidentally, capital available."

The third article deals with the geographical and geological aspects of the Temiskaming District and the promotion and building of the T. and N. O. Railway. "This pioneer railway undoubtedly proved the making of the mining industry of Northern Ontario as it is known to-day. Designed to promote the development of agriculture and lumbering in the Northern part of the province, it has created a rich mining industry, beside which the objects for which it was built pale into insignificance."

Depletion Of Salmon Affects B. C. Fisheries

VICTORIA.—How the depletion of the salmon resources of British Columbia is affecting the value of the provinces fisheries production is shown in the statistics issued by Hon. William Sloan, provincial commissioner of fisheries.

The amount of capital invested in vessels, nets, traps, piers, wharves, etc., used in the primary operations of catching and landing the fish was $7,509,363 last year, as compared with $9,185,279 the previous year. The number of employees was 10,623 last year. In 1920 the industry gave employment to 11,669 persons.

In fish canning and curing establishments capital to the extent of $12,449,102 was represented in 1921. The figure was $14,105,080 in 1920. These establishments gave employment to 4,471 in 1921 and 7,212 in 1920.

Value of fisheries production during the last ten years was as follows:

Year	Value
1912	14,455,488
1913	13,891,398
1914	11,515,086
1915	14,538,320
1916	14,637,346
1917	21,518,595
1918	27,282,223
1919	25,301,607
1920	22,329,161
1921	13,953,450

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The mill is operated at full capacity, and the profits to date far exceed the estimated, while the overhead cost of production is lower than anticipated.

Consequently, the Common Stock which is now being offered as a bonus to investors in the 8% Preferred Shares may earn and pay dividends much earlier than expected.

All of which explains why we have such confidence in recommending the Preferred Shares in this enterprise, and why we believe that those who invest in it will secure handsome returns.

The 8% Preferred Shares are very well secured (there being no Bonds ahead of them) so that when you add the possibility of the 30% Common Stock Bonus, there is every incentive to buy at the present quotation of 100 per Preference Share, with a 30% Common Stock Bonus.

We strongly recommend you to write for full particulars.

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YEAR OF PROGRESS BY IMPERIAL BANK

General Manager Phipps Reviews Successful Year

When we met here a year ago few, if any of us, thought of the possibility of a change in the management of the Bank, yet less than a month from the date of the Meeting, to be exact on the 16th of June, 1921, Mr. Moffat, our late General Manager, passed away. By Mr. Moffat's death many of us lost a warm, personal friend and the Bank an executive of ripe experience, untiring energy and sound judgment; a man whose whole time and thought were devoted to the Institution he served so well for forty years of his life.

Shortly afterwards, the Directors appointed me General Manager, and, therefore, it is my duty to-day to explain the position of the Bank as set out in the statements you have before you. When we consider the deflation and stagnation of business which has been prevalent in Canada period under review, I think you will as well as other countries during this agree that the statements are satisfactory to you as they are to us.

It was last year forecasted that the Banks were going to find it harder in the future to keep their earnings up and this has proved to be the case. Nevertheless, we consider profits of $1,265,838.64, as being only some $22,000. behind last year, as quite satisfactory. They amount to 18.12% on the paid-up Capital of the Bank and 7.58% on the combined Capital, Rest and undivided profits. I still predict that it will be harder to earn profits during the ensuing year.

There is naturally some falling off in the figures of the Balance Sheet, the total assets having been reduced by $2,989,848. and the total liabilities to the public by $2,939,186 but I would at once point out that $2,619,852 of this reduction is accounted for by the retirement of circulation and a corresponding reduction in the amount deposited in the Gold Reserves against it, which is merely a reflection of the business conditions and calls for no particular comment.

The deposits total $98,432,702. compared with $99,125,011 in April, 1921, a decrease of $692,309 which is I think a very satisfactory showing when we consider that the deposits of all Chartered Banks for the period from April 30th, 1921, to March 31st, 1922, show a decrease of $157,016,248.

It will be noticed that, while our deposits not bearing interest have increased by some $2,500,000., there has been a corresponding decrease of about the same amount in deposits bearing interest caused to some extent by the withdrawal of public savings owing to the unemployment situation and kindred causes, augmented by the withdrawal of funds kept in Canada by subsidiaries of United States' Industries during the period of high Exchange, most of which have lately been withdrawn consequent to the drop in Exchange which has been as low as below 1%.

It is not unusual for the General Manager to make a forecast regarding the probable trend of deposits for the next year, but a prediction under existing conditions cannot very well be otherwise than a mere guess. We do not look for much improvement, however.

The circulation I have already referred to. Unless there is a material revival in business, of which I can see no immediate prospect, a further decine in circulation is not improbable.

Turning to the "Assets" side of the statement, our first line of reserves—i. e. Cash, consisting of Specie, Dominion Notes, Notes and Cheques of other Banks, the deposit in the Central Gold Reserves and balances due from Banks and Bankers, amounts to $29,329,903.84 equal to 26% of our total liabilities to the public, compared with 27% a year ago. Taking into account our Dominion, Provincial, Municipal and other securities and our Call loans—in other words, our second line of reserves—we have the substantial total of $58,609,922 equal to 53% of our public liabilities as against 52% last year. Our customary strong, liquid position is, therefore, fully maintained.

Our call loans in New York amount to $1,800,000. There were none a year ago. Our Call loans in Canada amount to $3,964,800.91 compared with $3,721,713.54 last April and our loans to Municipal and Provincial Governments amount to $8,045,729.99 now as compared with $9,768,626.64 then.

Our current loans and discounts—perhaps the most important item in our statement—show a falling off of $2,806,180 and stand at $59,151,220 The falling off in current loans is in line with the trend of the times, the current loans of all Banks showing a decline of $131,957,178 from the 30th of April, 1921, to the 31st of March 1922. In our total are included all loans to Merchants, Manufacturers, Farmers and the like, the substantial amount of over $7,500,000 being to Grain Merchants and Shippers on the security of the Grain they handle in moving the crop of the Northwest Provinces. These Grain loans are of a most liquid character and can practically be turned into cash at any time.

Our loans have been the subject of the most careful scrutiny by the Executive as well as by the Bank's Inspectors and the Auditors appointed by yourselves and specific sums have been set aside to provide for any reported to be of a doubtful nature.

The Bank Premises Account stands at $5,521,006 compared with $5,385,904 last year, an increase of $135,102. While no new, large undertakings were proceeded with, the Bank purchased or built offices at St. Catharines, East End, Preston, Phippen, Rocky Mountain House and elsewhere and made additions and improvements at numerous Branches. You will see that we have set aside a reserve of $200,000 in connection with Bank Premises Account.

We are always pleased to see an increase in the number of Shareholders and for this year we are happy to report an increase from 2115 last year to 2234 at this date. Needless to say we hope that all our Shareholders work heartily for their Bank.

New Branches—In accordance with the policy announced last year, that of developing what we have rather than extending, we have opened but three Branches during the year and closed ten Branches and Sub-Branches, where results did not warrant continuing. While it is still our intention not to expand until times improve we have in immediate contemplation the opening of a new and we hope important Branch in Toronto, to be known as the Bay Street Branch. Temporarily it will be carried on in rented premises at the Southwest Corner of Bay and Richmond Streets, moving into a permanent home in the new General Accident Building at the corner of Bay and Temperance Streets on the completion of that structure.

Staff—In getting down to normal and bringing about economies we have naturally reduced the staff from 1345 a year ago to 1182 just now. Of the present staff 353 are young ladies whereas a year ago we had 413 of them. The reduced staff are doing almost as much work as the larger number; they are a faithful and efficient lot and loyal and hard-working in the interests of the Bank.

During the year it was considered advisable to appoint two Assistant General Managers and to re-organize and strengthen the Executive in view of the ever-increasing business of the Bank. The President has already told you of the appointment of the Assistant General Managers in the persons of Mr. C. D. Boulton who has been in the Bank since 1883 and has occupied positions of increasing importance until he reached in 1914 the rank of Chief Inspector, and Mr. J. C. Jaffray, who joined the Bank in 1899 and who has been Western Superintendent with Headquarters at Winnipeg since 1918. Mr. Jaffray will for the present continue to reside in Winnipeg and devote his attention chiefly to the Western business of the Bank. Mr. W. G. More, who joined the staff in 1911, in addition to his former position of Secretary, has been appointed Superintendent of Branches and Mr. R. S. Clark, who is one of the most experienced officers, having been in the service since 1890, has been appointed General Supervisor and under them again five Supervisors have been appointed, each having direct charge of defined districts or groups of Branches.

We believe that this method of administration ensures the closest supervision of all matters, large and small and, up to the present, it has produced efficient results.

The President has given you an able and well thought out address upon present conditions and the outlook for the future and, as I thoroughly concur in his remarks and in his conclusions, I will not impose on your patience much longer. The usual Spring optimism is in the air—in the West at least—and there is perhaps some justification for it on account of the better prices just now obtainable for farm products and the generally improved moisture conditions, but I fear that the return to real prosperity may still be slow. One of the reasons for delay is extravagance on the part of many individuals as well as corporations and public bodies and until this extravagance is lessened, the return to sounder conditions will be delayed.

WINNIPEG ELECTRIC

Gross earnings of the Winnipeg Electric Company for the month of April at $443,327, compared with $475,747 for the same month in 1921, a decrease of $32,420. Operating expenses and taxes amounting to $335,518, were lower by $27,806, and net income at $46,834 compared with $52,310 in the previous year, a decrease of $5,475.

For the four months ending with April the gross totalled $1,899,114, a decrease of $64,212 compared with the corresponding four months in 1921, and net income amounting to $263,454 was lower by $29,945.

BRAZILIAN

The April statement of earnings of the Brazilian Traction, Light & Power Co. shows gross amounting to 15,413,000 milreis, as compared with 13,562,000 for the same month in 1921, an increase of 1,851,000 milreis. Operating expenses amounting to 5,853,000 milreis, were lower by 966,000, while net earnings for the month at 9,560,000 established a record and show an increase of 2,817,000 milreis over the same month in the previous year. The aggregate gross for the four months ending with April totalled 60,156,000, an increase of 8,676,000 milreis, and the aggregate net at 36,013,000 showed an increase of 10,852,000 milreis.

BUDGET EFFECTS EXPERIENCED BY VARIOUS TRADES

Retailers Generally Satisfied With Increased Sales Tax

AUTO TRADE HIT

Dealers Inclined to Think They Have Been Specially Singled Out—Domestic Sugar Affected

Certain manufacturers and jobbers find that the odd sales tax percentage now applicable makes a good deal more work for acountants, and brings an increase in overhead charges at a time when ways are being sought for reduction of such expense of looking after government-Metal. It is estimated by one prominent Toronto manufacturer that the expense of lookin after governmental tax requirements to his firm amounts to 25% of the amount of revenue raised. His accounting department has been trebled in size since 1914 with less volume of business being done.

Retailers generally are satisfied with the increased sales tax and are thankful that nothing similar to the luxury tax is applicable to them. It is thought that the increased sales tax percentage will be so high as to necessitate its being passed on to the consumer on lines where formerly it was absorbed by the retailer. In this way retailers may benefit by the increased tax.

The Marking Regulation

The cancellation of the Marking Act and regulations governing depreciated currency appear to be the most far reaching changes made. While in some quarters there is a tendency to discount the importance of this move because the product of Germany and other countries with low value currency continued to come in via other countries, yet some manufacturers are of the opinion that the foregoing arrangement hampered such trade whereas the gates are now wide open for it. One cutlery manufacturer claims the removal of this protection will mean the closing of his factory because Germany can lay down knives in Ontario at eight cents a piece which cost thirty-five cents to manufacture here. The iron and steel industry also realizes that the door is now open to German mills and while shipments of material may be almost negligible for some time, the mere fact that quotations from this source may reach Canada, may have a disturbing tendency. German mills are busy at present filling requirements of the devastated areas of Europe, but those countries are handicapped in making payment for such material and no doubt German and other European producers would prefer trade with countries which can assure payment.

The changes in the tariff under which enamelware is given 2½% more British preference, by which glass milk bottles are reduced 5% in the general tariff, wrought iron pipe is reduced 5%, tools are reduced 5% in preferential tariff, dairy tin hollow-ware is reduced 2½% in preferential and 5% in general tariff, are not expected to have very far reaching effect on hardware trade. In most lines the increased sales tax will about make up for reduction in duty.

The Automobile Trade

According to Canadian Motor and Tractor the increase in taxes could hardly have come at a more inconvenient time in the automobile trade. Factories were just recovering from the slump in trade and creeping up to capacity, and dealers were looking forward to a substantial business during 1922.

Dealers feel that the industry is bearing more than its share of the country's financial burdens and are inclined to think it is being discriminated against.

A deputation representing the automotive section of the Retail Merchants' Association presented the dealers' case to the Government on May 27. The deputation protested against automobiles being singled out for special taxation and requested a clause being inserted protecting dealers against loss if the tax should be removed.

The budget provision respecting automobiles read: "Schedule 1—Automobiles adapted or adaptable for passenger use,, valued at not more than $1,200 each, 5 per cent.

"Automobiles adapted or adaptable for passenger use, valued at more than $12,00 each, 10 per cent."

This tax applies on automobiles manufactured in Canada as well as those imported into Canada after May 23. The sales tax has also been increased 50 per cent. The former sales tax on cars made in Canada was 3 per cent., and on imported cars 4 per cent.

The new taxes on Canadian-made cars are: sales tax 4½ per cent., plus 5 per cent. excise tax on cars valued at less than $1,200, or 10 per cent. if the car is valued at more than $1,200.

On Imported Cars

Imported cars: new sales tax 6 per cent., plus the 5 or 10 per cent. excise tax. In the case of imported cars the excise tax applies on the duty paid value, and in the case of domestic cars on manufacturer's wholesale invoice price.

The following table graphically illustrates how the new taxes affect imported cars, a car listed in the U. S. at $1,000 is taken as a basis of computation and exchange figured at 1 per cent.:

American list...	$1,000		
Add 5% Am W.T.	50		
	1,050		
Add 1% exchange	11	1,061.00	
Duty at 35% on $1,061.00			$371.35
Sales tax	$1,061.00		
	371.35		
	1432.35 at 6%		85.94
Excise tax:	$1432.35 at 10%		143.23
Total added charges			$600.52

Effect on Sugar

When the new 1922 budget was first announced, some of the daily papers predicted that the reduction in the British preference on sugar should tend to lower sugar prices.

A careful study of the sugar item that the Finance Minister has changed will show, says Canadian Grocer, that it will have no effect upon prices of sugar to the general public and very little effect if any at all on the quantity imported. The only item on which the change in tariff was made, was on sugar above No. 16 Dutch Standard in color and all refined sugar when not exceeding 88 degrees of polarization. The former preferential tariff was $1.50 per cwt. and this has been reduced to $1.33.

Doesn't Affect Refiners

There has been very little raw sugar above No. 16 Dutch Standard imported into Canada and during the past year we imported only about 5,000 pounds of refined sugar altogether. The change in the tariff does not affect the raw sugar imported by Canadian refiners of cane in any way.

The tariff on sugar changes with the polarization. Our refiners bring in raw sugar on which is paid a duty of about 85c under the British preferential tariff and $1.69 under the general tariff. Most of our sugar comes in under the general tariff. For instance, the total imports of raw sugar for the 11 months ending February, 1922, were 18,773,497 lbs., of which nearly 13,000,000 lbs. came through the United States ports, particularly from Cuba and the Phillipines, leaving a balance of less than 6,000,000 lbs. from British sources.

It will be seen therefore from the above that the change in the tariff will not affect prices of sugar refined in Canada to the trade and the general public and that there will be very little effect on sugar of any kind as only one item has been changed.

The Beet Sugar Tax

The placing of an Excise Tax of 49c per cwt. on beet sugar made in Canada is creating great interest among the trade. Just what effect this will have on prices in the future remains to be seen. Naturally it will have a tendency to lessen the difference in price between sugar made by the beet companies and that made by the exclusive cane refiners. The company that is responsible for practically the entire production of beet sugar in Canada, also refines cane sugar. In fact their plant only works from three to four months on the beets and the balance of the time on cane. The Finance Minister has evidently taken it for granted that the beet sugar refiners have been making too much profit and so he added the Excise Tax of 49c per cwt. If such is the case then these refiners would either have to take less profit or increase their price. The vice-president of the Dominion Sugar Company is quoted as stating that this tax will put their company out of business. He says he was hoping that the situation which was already difficult with his firm would be adjusted and that his company was not consulted about the matter at all.

Farmers who grow sugar beets for sugar making purposes are paid in accordance with the sugar content of their beets and the ruling price of sugar. Just what effect the tax will have upon the quantity of beets grown and the price to the farmer remains to be seen.

Confectionery and Beverages

Confectionery manufacturers are protesting the 5% sales tax on confectionery as it affects the five-cent lines particularly. It looks as if this tax would mean either smaller bars or a six cent-price. The latter would not be so popular and would undoubtedly reduce sales.

The beverage manufacturers are also protesting very strongly against the 10c per gallon on bottled soft drinks, claiming that as this tax does not apply to fountains where merchants make up their own drinks, there is a decided discrimination. Deputations have been in Ottawa following up the matter and there may be a change in this connection. Retail grocers will submit without protest to the increase in the sales tax, although it may mean further loss to them as many of them have been absorbing the previous tax. However, the increase may be a blessing in disguise to those who are not close to their accounting problems as now the tax is so large it will have to be recognized.

Paper Little Affected

The Canadian Pulp and Paper Association has issued a special report dealing with the new tariff and the paper industry. It is the opinion that the tariff will make very little change to the industry as there are only two changes of any importance. One of these is a reduction on the duty on British book uncoated paper from 15 per cent. to 12½ per cent., while book paper coated, is reduced from 22½ per cent. to 17½ per cent., a cut of 5 per cent. In both cases the intermediate tariff and general tariff remains unchanged. The reason for the opinion that very little difference will result is due to the comparatively small imports of either of these lines that have taken place during the past three years.

Steel and Machine Trades

The machine tool, and iron and steel trades, have not been affected to any great extent. Summarizing the situation for THE FINANCIAL POST, Canadian Machinery says:

Imported machine tools will have to bear a tax of 6 per cent., instead of 4, but dealers generally do not feel the change is going to hurt the trade very much. Of course it is unfortunate that it happened during the present uphill fight for business, but they will simply have to make the best of it, feeling it might have been worse. Domestic machines will only be subject to a total tax of approximately 5 per cent., this including raw material imported for use on the machines, so that they will benefit roughly about 1 per cent over foreign makers.

Iron and steel men look for very little change in conditions. The added sales tax will not hurt their business to any extent, and sheet makers feel the same way toward the tariff.

Wrought or seamless iron or steel tubing manufacturers will naturally feel the reduction of 5 per cent. under both the preferential and general tariffs, but are sure they can successfully cope with the situation taking perhaps a closer margin of profit.

ABITIBI BUILDING RAILWAY FOR WOOD

Will Expend $750,000 to Get Out Wood—Mills Producing Over 480 Tons Daily

From Our Own Correspondent.

MONTREAL.—A new form of development was begun this week by the Abitibi Power & Paper Co. in the construction of a railway from the plant through the limits up to the Transcontinental Railway, a distance of about 16 miles. From this will be run lateral lines covering a large section of the limits, and costing, when complete, about $750,000. This "logging" road will be used to supplement the driving of logs by the rivers and lakes and will enable the company to utilize large tracts of timber limits that otherwise could not be brought to the water's edge except at a very heavy cost. The company's limits run along the National Transcontinental. In the ordinary case these supplies of pulpwood are inaccessible to water and would be left to the last and those nearer exhausted first. It is the intention of the Abitibi management to mix the "lean" limits with the rest so as the better to provide a supply of pulpwood at an average cost over a number of years. The expenditure on this railway is estimated to bring in a good return to the company and to help materially to solve one of the difficulties of all paper mills.

The production continues to work gradually up towards the 500-tons a day mark. During the past week the average ran over 475 tons a day with anew high record established of 484 tons for a single day's run. At this time one year ago the strike was on and continued until the sixth of June, but in the weeks after resumption the production was not running more than 250-260 tons a day, so that the present production is nearly double that of one year ago.

The Company has contracts for the total production covering the whole of the current year.

MATACHEWAN POWER CO.

Work has been commenced in the erection of the plant of the Matachewan Power Company, which, situated on the Montreal River, was formed to supply power to the Kirkland Lake, Elk Lake, Gowganda and Shining Tree mining camps. The company will have a capital of $1,000,000 of common stock in $10 shares, with an authorized bond issue of $1,500,000 7 per cent. 15 year sinking fund bonds, and has the power rights on the Indian Chutes and Big Ben, the two greatest sources of power on the Montreal River. The completed plant will produce 13,000 h.p. Orders for machinery will be placed this week.

A Great Future

The strength and importance of the Power Industry was never better demonstrated than now, when so many of the leading companies are showing continuous improvement in net earnings and operating conditions.

We have been actively identified for many years with the financing of some of the best known hydro electric developments in Canada, and as a result of our investigations and experience, are satisfied that the prospects before the Power Industry were never brighter.

Let us submit you the facts upon which we base our recommendation for investment in this class of security.

NESBITT, THOMSON
and Company, Limited
TORONTO
Hamilton London, Ont. Montreal
114

C.P.R. EARNINGS FOR APRIL SHOW DECLINE

Net Result Disappointing Compared With March Figures —Cost 87½ Per Cent.

From Our Own Correspondent.

MONTREAL.—The earnings of the Canadian Pacific Railway Co. for the month of April failed to maintain the favorable showing of the first three months of the year, and the net declined $1,097,358 as compared with the returns, for April 1921, the total amount being only $1,548,772 as compared with $2,646,131 for April of last year. The returns for the first three months of the year have led to the expectation that very shortly the company might be able to show net earnings in excess of the corresponding period of last year, as in the month of March there was a decrease of only $30,401. In January the increase had been $157,947 and in February $158,904. The explanation of the change lies not so much in the decline in gross earnings, although these are $1,430,000 less than in April of last year, but in the keeping up of working expenses which declined only $333,000. The percentage that the operating expenses bear to gross earnings ran up higher in April than was the case in March and in April of last year. The cost of operation for April of this year was 87.5 per cent. of the gross, while in April of last year it was only 80.8 per cent., a very sharp increase in operation.

Taking the year to date the net earnings amount to $5,107,244 as compared with $6,551,856 for the first four months of last year, showing a decrease in net to date of $1,444,612. For the first four-month period the percentage that operation bore to gross for this year was over 89 as compared with a little over 88 for the year 1921.

The gross earnings for the month of April fell below those of March by about $1,500,000, but were about $1,000,000 ahead of January and February. They fell, however, below the total for any single month of 1921 and were far behind the earnings in 1920.

	Apl. 1922	Apl. 1921	Dec.
Gross . . .	$12,331,370	$13,761,840	$1,430,460
Op. ex. . . .	10,782,597	11,115,708	333,111
Net . . .	$ 1,548,772	$ 2,646,131	$1,097,358

The four months of the present year compare with 1921 as follows:

	1922	1921	Dec.
Gross . . .	$48,820,665	$55,701,984	$6,881,318
Op. ex. . . .	43,713,420	49,150,127	5,436,706
Net . . .	$ 5,107,244	$ 6,551,856	$1,444,612

Following are the net earnings and expenses during April, back to 1914:

April—	Net	Expenses.
1922	$1,548,772	$10,782,597
1921	2,646,131	11,115,708
1920	2,341,846	13,587,570
1919	2,088,624	11,020,280
1918	3,455,389	9,873,459
1917	4,174,977	8,180,542
1916	3,733,735	7,147,571
1915	2,687,755	4,768,104
1914	3,244,865	6,475,596

ILLINOIS TRACTION

The Illinois Traction Company reports gross earnings for the month of April amounting to $1,821,868 as compared with $1,205,565 for the same month iin 1921, an increase of $36,019. After allowing $1,283,737 for expenses and taxes the net amounted to $538,130 as compared with $460,125 in the previous year, an increase of $78,005.

Gross for the four months ending with April totalled $7,600,347, an increase of $150,344, while net amounting to $2,437,141 increased by $454,762.

DULUTH-SUPERIOR

Gross passenger earnings of the Duluth-Superior Traction Company for the week ending May 21, totalled $31,227 as compared with $32,766 for the corresponding period in 1921, a decrease of $1,538, or 4.7 per cent.

Gross for the month of April amounting to $142,768 showed a decline of $7,857 or 5.2 per cent. compared with the same month in 1921. Operating expenses amounting to $114,910 were lower by $9,593 or 7.9 per cent., and net amounting to $27,858 compared with $26,121 in the previous year, an increase of $1,737 or 7.4 per cent.

GREATER ACTIVITY IN OIL AND STEEL ISSUES THIS WEEK

Brokers Believe That Increased Interest Presages Forward Movement

FIRM UNDERTONE

Irregularity in Price of Security Prices Has Continued Steadily for Nearly Six Weeks

The past week saw a relatively quiet market with a firm undertone. The renewed activity in several issues led brokers to believe, that the Canadian market which has been lagging behind the New York market, will shortly be back in line with it again. The activity was largely centred in the oils which were pushed to new and higher levels. With a continuation of the forward movement, re-actions will tend to become more frequent, though declines during the past week have been of negligible character.

The irregularity in security prices which first began to show itself in the second half of April, has continued practically all through May. Certain groups of stocks, notably the steel and oils have been alternately weak and strong, according to whether the rumors of mergers were denied or substantiated. But the fact that oils are once more coming into favor would indicate that the public is again looking to the more speculative stocks in the hope of reaping large gains in the near future.

But the Analyst takes a somewhat opposite view to this and says in part:

> For a long time the upward turn in stocks was identified with the idea that the forward movement in prices was discounting business improvement. Little is heard of business improvement now. That is one of the subjects which has done its duty so far as the stock market is concerned, for, of course, there is a limit to which stocks can be affected by discussion along this line. There is nothing to indicate, for instance, that the business recovery has been in excess of 100 per cent., yet some stocks have recovered far more than 100 per cent. from the low prices which obtained not so many months back. It may be all very well to argue that the stock market by its price upturn forecasts the future. The steel industry is now running at about 85 per cent. of capacity, so that there is little room for expansion along this line. Therefore, if the steel stocks have discounted the improvement which has taken place there would logically be little reason for further advancement on the prospect of increased business which might accrue to the companies in the remaining months of the year.

A prominent broker expressed the opinion that when stock exchange valuations have reached a point where the yield from a purchase is sufficiently reduced, investors begin to consider the wisdom of accepting so low a return, and gradually become willing to undertake the risk of ordinary business in order to secure larger returns. This sets in motion a revival of trade. As the revival gains ground those who bought low down and are, therefore, receiving a high return on their investment become tempted to accept the high prices obtainable for their stock and to re-invest at least a portion of the sale price in business undertakings. Soon as this process has proceeded to any extent, the sales of stock cause a re-action in stock exchange prices through the general average level of interest being once more on the rise. Then the whole cycle is repeated.

IMPORTANT PLANS BRITISH EMPIRE STEEL

President Hints of Developments at Annual Meeting—Mills at Capacity

From Our Own Correspondent.

MONTREAL.—At the regular general meeting of the shareholders of British Empire Steel Corp. held on Wednesday an adjournment was made until June 27 at the request of the president, R. M. Wolvin. In connection with this Mr. Wolvin made the following statement:

> "This meeting was called on May 4th. Since that time negotiations have been opened up which, if completed, will be of great importance to the present and future development of the corporation. These negotiations may require three weeks for their completion. We have, therefore, considered it advisable to adjourn this meeting until the negotiations are finalized."

A number of rumors have been floating round in reference to plans under consideration in connection with this company. Among these are that there will be new financing, and also changes in the board of directors, while a third concerns a reputed merger. Those in charge of the company, however, declare that nothing is in any definite shape yet on which to base an announcement. It is suggested that new financing might be in connection with the authorized issue of 8 per cent. first preferred stock Series "A" which has not yet been issued and which was intended to provide a means for securing money from British sources. It is thought, however, that if any financing is done it will be in the form of a bond issue.

Company Has Turned Corner

The prospects for the company it is known are steadily improving. This statement was made to THE FINANCIAL POST by Mr. Wolvin after the meeting on Wednesday, and he added that the company had "definitely turned the corner." Several of the mills including the nail mill are running to capacity, and, generally speaking, the steel business shows a definite improvement. The court decision has provided the company with $1,500,000 of additional money making a total of $4,500,000 awarded in the claim against the Dominion Government for the cancellation of the contract for 250,000 tons of steel plates. This was awarded at the time it was believed they were required to facilitate building in Canada and was a war measure. The company started the construction of the mill and put in a claim to the government when the work was discontinued.

At the time the annual statement was issued the award included $3,000,000, but allowing for various expenses the sum of $2,500,000 was placed in the statement as a reserve only and not in the earnings, or among the current assets. The award of $1,500,000 would improve by that much the working capital position of the company.

During the week all issues of British Empire Steel have shown greatly increased activity and strength, the first and second preferred, and the common, touching new highs. The Dominion Steel issues followed suit.

PORTO RICO

The Porto Rico Railways Company reports gross earnings for the month of April amounting to $112,172 as compared with $111,574 for the same month in 1921, an increase of $597 or .55 per cent. Net for the month amounting to $48,406 compared with $34,811, an increase of $13,593 or 39.05 per cent. Gross for the four months ending with April totalled $433,112, a decrease of $19,347 or 4.27 per cent., while net amounting to $184,521 showed an increase of $6,402 or 3.19 per cent.

TRUST & LOAN CO. HAS EXCELLENT YEAR

Profits Show Increase of Over 30 Per Cent.—Dividend of 7½ Per Cent.

From Our Own Correspondent.

MONTREAL.—The report of the Trust & Loan Company of Canada for the year ending March 21, 1922, is a very satisfactory one, particularly in connection with the rather difficult situation that has existed in some sections of Western Canada where this company carries on a large part of its operations. The item of profit shows a total of £146,571 which is in advance of over £35,000 over the total of last year, which was £111,026. The directors have been able to increase the dividend also during the year, paying 3 per cent. and 1 per cent. bonus for the six months ending March 31, 1922, both free of income tax, which with the dividend and bonus paid in December made a total of 7½ per cent. for the year as compared with 6½ per cent. for the year ending March 31, 1921. This left a balance of £21,450 to be carried forward into the new year as compared with a balance of £13,915 carried forward at the end of the previous year.

The total income during the year amounted to £354,490 an increase over the total of the previous year which was £333,611. The favorable balance was due partly to increased revenue, partly to the fact that expenses in London and Canada were reduced nearly £3,000 and interest and debentures were down £9,000. Then there was a reduction of a little over £4,000 in war taxes paid in Canada.

The balance sheet of the company shows temporary investments and money at call of £674,996 as against £945,305 the previous year; and cash of £60,389 as compared with £33,268. Investments in Canada show mortgages of $14,958,081 compared with $14,573,004, showing an increase of nearly $400,000 during the year.

STOCK MOVEMENTS OF THE WEEK

Week Ending May 30.

	Div. Rate	Ask	Bid	High	Low	Close	Sales
Banks—							
Commerce	12	185	183	184	183¾	184	62
Dominion	12	190	....	190	189⅝	189⅝	49
Imperial	12+1	172	170	170	170	170	35
Molsons	12	....	158	160	160	160	4
Montreal	12	217	214	217	216⅜	216½	328
Nova Scotia	16	....	257	260	259	259	3
Royal	12	200	198	199½	198	198	61
Standard	14	201	200	200	200	200	1
Toronto	12	177	....	179	177	177	17
Union	10	136¼	135½	136¼	136	136	100
Industrials, Utilities, Etc.—							
Abitibi Pulp and Paper com	..	52¾	52	56¼	52	52	1390
Do pref.	7	....	90½	90½	90½	90½	20
Ames-Holden pref.	..	10	....	10	9¾	9¾	235
American Salesbook com.	..	18	16	17	16½	16½	74
Do pref.	7	86	83	87	85	85	25
Asbestos Corporation com	6	57	56	56	56	56	90
Do pref.	7	78	76	76	76	76	42
Atlantic Sugar com.	..	25	....	25¼	22¾	24	2551
Barcelona Traction	..	7	6½	6¾	6⅝	6¾	660
Bell Telephone	8	110½	110	110¾	110	110	1011
Brazilian Traction com.	..	37¼	36½	37⅜	29	36	5698
B. C. Fishing	..	....	26½	28½	28½	28½	100
British Empire Steel com.	..	15	14½	14½	11	14½	2200
Do first preferred	7	....	76	76½	74½	76½	630
Do second preferred	..	37¼	36½	27⅜	29	36	5698
Brompton Pulp com.	..	31½	31⅜	31½	31	31½	1295
Burt, F. N. com.	10	116½	115	115	114⅞	115	180
Do pref.	7	....	114½	115	115	115	1
Canada Bread com.	..	34½	34	35	33½	34	1221
Canada Car & Foundry com.	..	25½	....	26	25½	25½	110
Do pref.	..	54⅜	54¼	55	54¼	54¼	275
Canada Cement com.	6	69	68	68⅝	65¼	68½	8085
Do pref	7	....	93	95	93	94	139
Canada Steamships, com.	..	23	22	23¼	20	22¼	1071
Do pref.	..	53	52	53¼	52	52	607
Canadian Converters	7	80	79½	80	79½	80	215
Canadian Cottons com.	8	....	90	90	90	90	32
Can. Woollens com.	..	27¼	25	28	27½	27½	70
Do pref.	7	80	75	78	75	75	75
Can. Foundries & Forgings com.	..	46	44	46	40	46	240
Can. General Electric com.	8	89½	88½	90	88½	89	692
Do pref.	7	....	101	101	101	101	30
Canadian Pacific Railway	10	145	144	145	143½	144½	373
Canadian Salt	8	90	89	90	85½	90	90
City Dairy com.	10	125	123	125	123	125	50
Do pref.	7	....	100	100	100	100	60
Consumers' Gas	10	151	150	151	150	151	40
Detroit United Railway	..	60¾	60⅜	61½	59	60	614
Dominion Bridge	4	....	73	74½	73	73	382
Dominion Canners com.	..	35	33	33½	33	33	25
Do pref.	7	....	75	75½	75	75½	69
Dominion Glass com.	6	....	66½	67	66½	66½	96
Do pref.	7	95½	....	95	95	95	60
Dominion Textile com.	12	156	155	155	152	155	235
Do pref.	7	....	110	110	110	110	40
Dominion Coal pref.	7	....	76	75½	75	75½	59
Dominion Iron pref.	7	....	75	75	74	75	141
Dominion Steel Corp. com.	..	40	39¼	40	31¼	40	155
Do pref.	6	7½	75½	75¾	74¾	15¾	201
Duluth Superior	..	76	75½	75¾	74¾	75¾	201
Ford Motor Car	15	400	385	385	385	385	23
Howard Smith Paper com.	6	66½	....	67	67	67	290
Do pref.	8	93	91	91	91	91	20
Illinois Traction pref.	6	....	79	80	79	80	47
Kaministiquia Power	8	....	83½	83½	85½	83½	15
Lake of Woods Milling com.	12	166	....	164	164	164	25
Laurentide Paper	6	....	86	87¼	86	87	254
Lyall Construction	..	40½	39	42	41	41	70
Macdonald A. com.	..	14	13½	14	14	14	65
Mackay com.	6	91	90	90¾	89½	90	999
Do pref	4	....	66½	67	66	66	140
Maple Leaf Milling com	12	....	130	130½	130	130	105
Monarch Knitting pref	7	80	77	80	80	80	44
Montreal Cottons com.	6	86	....	86	86	86	5
Montreal Light, Heat com.	5	91¼	91⅛	91½	90¾	91½	1131
Montreal Telegraph	8	50¼	....	50¼	50¼	50¼	50
Montreal Trams	10	163½	....	163½	163½	163½	14
National Breweries com.	4	56⅛	56	57½	55½	56	3042
Ogilvie Flour com.	12	....	235	235⅛	233	235⅛	22
Do pref.	7	115	114	114	112	113	29
Ontario Steel Products com.	..	....	40	39½	39½	39½	30
Ottawa L. H. & Power	6	87½	86½	87	86¼	86¼	75
Pacific Burt com.	2	....	50	50	49	50	91
Price Brothers	2	43	42	43	42½	43	210
Quebec Railway	..	28¼	27¼	29¼	26½	28	2479
Riordon Pulp com.	..	13	12	15	10½	13	1693
Do pref.	..	....	21	22	19	21	243
Rogers Wm. com.	..	46	40	40⅛	40	41	25
Do pref.	7	....	80	85	82	85	26
Russell Motor pref.	7	....	50	50	50	50	65
Shawinigan	7	106	105½	106	105½	105½	189
Sherwin Williams pref.	7	....	93	93¼	93	93	25
Spanish River Pulp com.	7	....	88	89½	88⅝	88⅝	125
Do pref.	7	95½	95¼	96½	94¾	96	1055
Steel of Canada com.	7	76	75⅞	76¼	73⅝	76	8297
Do pref.	7	99	98	99	97½	99	330
St. Lawrence Flour com	6	....	80	80½	80½	80½	10
St. Maurice Paper	5	....	....	85	85	85	25
Toronto Railway	..	66½	66	66½	65	66⅛	948
Tuckett Tobacco com.	4	49	47	48¼	48	48	115
Do pref	7	90	....	88½	88	88¼	112
Twin City com.	..	56	55	58	49½	58	2148
Wabasso Cotton	4	72	71½	72¼	70½	72¼	245
Wayagamack Pulp	..	....	52	52	51½	52	175
Winnipeg Electric com.	..	41	40¾	41½	40	41½	540
Do pref.	7	87	86	87	86	86	95
Canada Landed	10	....	79	79	79	79	12
Canada Permanent Loan	12	....	179	180	179	180	59
National Trust	12	198	197	197	197	197	1
Toronto Gen. Trusts	12	210	208	210	205	210	8

British Empire Steel Corporation

Limited

Report and Statement 16th April to 31 December 1921

To the Shareholders:

Your Directors beg to report that immediately upon the ratification of the several Agreements made with respect to the acquisition by this Corporation of the capital stocks of Dominion Steel Corporation, Limited, Nova Scotia Steel & Coal Company, Limited, and Halifax Shipyards, Limited, by the holders of the common stock of these Companies, the permanent organization of the Corporation was undertaken and the provisional Directors and Officers having resigned the Board was constituted by the election of the following Directors:—Messrs. J. W. Norcross, D. H. McDougall, W. D. Ross, R. M. Wolvin, H. B. Smith, Galen L. Stone, Sir Wm. Mackenzie and Major-General Sir H. M. Pellatt, C.V.O.

Mr. R. M. Wolvin was elected President and Mr. D. H. McDougall, Vice-President.

The operations of the Constituent Companies have been continued under the direct supervision of the Boards of the several Companies.

Transfer Agents and Registrars were appointed at Montreal, Toronto and New York.

The relative amounts of the Cumulative 2nd Preference and Common Stock to be exchanged for the Common Stocks of the Companies acquired under the Agreements in that regard were issued and on the 16th April, 1921, certificates thereafter were deposited with National Trust Company, Limited, and Eastern Trust Company for delivery to the parties entitled to receive them.

Similar action was taken with regard to the issue of the Cumulative 7% Preference Stock Series "B" of the Corporation to holders of preference and preferred stocks of the Companies included in the agreement in that regard with Prudential Trust Company, Limited.

Arrangements were made to have the stocks of the Corporation listed by the Stock Exchange in Montreal, Toronto and New York.

Up to the present time certificates of this Corporation have been distributed for over 86 per cent. of the total amount of the stocks issued and lodged with the depositories for distribution to former holders of the common stocks of the three Companies.

Holders of about 36 per cent. of the preference and preferred stocks of the Companies have exchanged their holdings for First Preference Series "B" Stock of this Corporation.

Your Directors have made arrangements for the more effective operation of the properties of the several Constituent and Subsidiary Companies and for the disposal of the output of their Mines and Works through which the cost of operation will be reduced and the returns therefrom increased.

Your Directors have pleasure in submitting herewith the Consolidated Profit and Loss Account for the period from 16th April to 31st December, 1921, and the Consolidated Balance Sheet of the Corporation and its Constituent Companies as at the latter date.

PROFIT AND LOSS ACCOUNT

The earnings for the period were $4,416,450.65 after deducting all expenses incident to operations, current repairs, taxes, administrative and selling expenses and after reserving sufficient amounts to provide for shrinkage of inventories and other contingencies.

The sum of $1,501,178.11 was set aside for depreciation of Plant and Properties and to provide for Sinking Funds and $1,181,681.54 was deducted for Interest on Bonds and Debenture Stock, leaving $1,733,591.00 net Profit for the period. After payment of Dividends declared on the First Preference shares of the Corporation and the Preference shares and Preferred stocks of the Constituent Companies amounting to $718,276.73 and making provision for those which had accrued upon 31st December, amounting to $259,387.74, there remained to be carried over the sum of $755,926.53.

No dividends were paid upon the Second Preference or Common Stocks.

BALANCE SHEET

The Balance Sheet now presented is the first to be issued to shareholders since the Corporation assumed definite form and will form a basis for comparison with the Balance Sheets to be issued from time to time in the future.

With respect to Cost of Properties it may be explained that previous to the 16th April, 1921, when your Company's stocks were issued, the amount which formerly was carried in the current accounts of the Nova Scotia Steel & Coal Company, Limited, in respect of payments on account of the purchase of the stock of the Acadia Coal Company, was transferred to Cost of Properties. Some other smaller items were treated in the same way with the effect of reducing current investments and increasing capital assets.

No new expenditures of any kind were undertaken and those made were confined to the completion and adjustment of items which originated in a previous period. These relate chiefly to the new battery of 60 Coke Ovens for Dominion Iron & Steel Company, Limited, and to such general extensions as are inseparable from the operation of properties of the extent and importance of those in which your Company is interested.

Your Directors after careful consideration decided that it would be advisable to adjust the cost of some important items of property and equipment installed by Constituent Companies during the war period, when cost of construction was abnormal. To effect this the sum of $3,339,841.65 has been deducted from Cost of Properties and a corresponding reduction has been made in the amount of the Consolidated Surplus.

Your Directors are glad to report than Bank Loans have been reduced $2,542,197.00 and other Current Liabilities $5,119,948, a total reduction of $7,662,145.

The excess of Current and Working Assets over Current Liabilities at 31st December, 1921, was $14,364,860.18.

During the year 1921 the Funded and Mortgage Debts of the Companies were reduced $404,965.34 through the operation of the various Sinking Funds.

The 6% Mortgage Debentures of the Nova Scotia Steel & Coal Company, Limited, were increased by the issue of $478,000 in connection with the acquisition of the property and stock of the Acadia Coal Company, which as already noted was concluded previous to the date of the consolidation.

The amount at credit of accounts for Renewals, Taxes and Contingencies is $5,274,208.73. Included in this is $2,500,000.00 part of amount received by Dominion Iron & Steel Company, Limited, as part payment of its claim for damage due to the cancellation of the contract for the supply of Ship Plates to the Government of Canada.

Business conditions during the period covered by the statements submitted herewith have been for the most part unfavourable. During the months of May to October a considerable tonnage of coal was disposed of in the St. Lawrence market which for some years had been practically closed to coal from Nova Scotia. During the same months the Steel Works at Sydney and New Glasgow were moderately employed.

In the last quarter of the year there was a marked decline in the operations of all the Companies.

For the Board of Directors,
R. M. WOLVIN,
President.

Montreal, P. Q., 3rd May, 1922.

Consolidated Balance Sheet as at December 31st, 1921.

ASSETS

Cost of Properties:		
Representing the Ore and Coal Properties, Plant, Buildings, Machinery and Equipment, etc., of the Constituent Companies, the aggregate value of which is supported by Independent Appraisals (less Reserves for Depreciation and Exhaustion of Minerals and after deduction of the Special Appropriation of $3,339,841.65 from Surplus Account as at December 31, 1921)		$135,695,354.80
Investment in Capital Stocks of, and advances to, other Companies		622,776.58
Cash in hands of Trustees for Bondholders		80,300.15
Bonds purchased for Sinking Funds		314,341.86
Current Assets:		
Inventories of Finished Products, Goods in Process and Materials and Supplies, less Reserves		
Trade Accounts and Bills Receivable, less Reserves	$15,061,416.21	
Other Accounts Receivable	5,637,530.30	
Investment in War Bonds, etc.	722,260.84	
Cash on hand and in Bank, and Call Loans	514,880.13	
	1,080,673.43	
Deferred Charges to Operation:		23,016,760.91
Development Expenditures, etc. $	387,495.49	
Insurance and Other Expenses paid in advance	409,551.50	
		797,046.99
		$160,526,581.29

LIABILITIES

	Authorized	Issued	
Capital Stock of the British Empire Steel Corporation Limited:			
8% Cumulative First Preference Stock Series "A"	$100,000,000.00		
7% Cumulative First Preference Stock Series "B"	40,000,000.00	$ 6,888,920.00	
7% Cumulative Second Preference Stock	135,000,000.00	57,350,000.00	
7% Non-Cumulative Preference Stock	15,000,000.00		
Common Stock	210,000,000.00	24,450,000.00	
Deduct—Held by Constituent Companies:	$500,000,000.00	83,688,920.00	
7% Cumulative Second Preference Stock	$ 7,419,925.00		
Common Stock	3,156,600.00	10,576,525.00	$78,057,395.00
Note: Out of the total authorized issue of 7% Cumulative First Preference Stock Series "B," $13,116,080.00 is reserved for exchange of the outstanding Preference Stocks of Constituent Companies.			
Preference Stocks of Constituent Companies outstanding:			
Dominion Steel Corporation, Limited		4,877,900.0	
Dominion Iron & Steel Company, Limited		4,036,900.00	
Dominion Coal Company, Limited		2,837,200.00	
Nova Scotia Steel & Coal Company, Limited		856,900.00	
Eastern Car Company, Limited		335,800.00	
			12,944,700.00
Capital Stock of the Acadia Coal Company, Limited, Outstanding:			
6% Non-Cumulative Second Preferred Stock		$ 6,500.00	
Ordinary Stock		107,800.00	
			114,300.00
Capital Stock Reserve:			91,116,395.00
Par Value of the 7% Cumulative First Preference Stock Series "B" reserved for exchange of the outstanding Preference Stocks of Constituent Companies		$13,166,080.00	
Less—Par Value of the Preference Stocks of these Companies outstanding		12,944,700.00	
			171,380.00
Funded and Mortgage Debt, represented by Bonds and Debenture Stock of Constituent Companies			31,167,899.98
Deferred Payments on Properties			1,604,000.00
Current Liabilities:			
Bank Loans		4,682,024.16	
Current Accounts Payable, Wages and other Accrued Liabilities		3,471,647.75	
Accrued Interest on Bonds and Debenture Stock		498,228.82	8,651,890.73
Reserves:			
Furnace Relining and other Operating Reserves		1,787,778.15	
Reserve for Contingencies, including Taxes, etc.		727,042.84	
Dividends accrued on the First Preference Stock of the British Empire Steel Corporation, Limited, and on the outstanding Preference Stocks of the Constituent Companies		259,387.74	
		2,774,208.73	
Balance of amount received from the Dominion Government in respect of cancellation of Contract for Ship Plates		2,500,000.00	5,274,208.73
Surplus as at date of Organization, less Organization Expenses and Adjustments in respect of Inventories, etc.		$25,124,711.97	
Deduct—Appropriation in reduction of Plant Values on account of high construction costs during the war period		3,339,841.65	21,784,870.32
Surplus for the period from April 16, 1921, to December 31, 1921, as per Statement attached			755,926.53
			$160,526,581.29

We have examined the books and accounts of the British Empire Steel Corporation Limited and its Constituent Companies from the date of its organization on April 16, 1921, to December 31, 1921, and have been furnished with all the information and explanations which we have required; and we certify that in our opinion the above Consolidated Balance Sheet at December 31, 1921, is properly drawn up so as to exhibit a true correct view of the state of the affairs of the Corporation and its Constituent Companies, according to the best of our information and the explanations given to us nd as shown by the books of the various Companies.

PRICE, WATERHOUSE & CO., Auditors.

Montreal, P. Q., 3rd May, 1922.

Consolidated Statement o, Profit and Lost For the Period from April 16, 1921 to December 31, 1921.

Total Earnings of the Properties after deducting all Manufacturing, Selling and Administration Expenses, but before charging Sinking Funds, Depreciation and Interest		$4,416,450.65
Deduct—Provision for Sinking Funds and Depreciation		1,501,178.11
		$2,915,272.54
Deduct also—Interest on Bonds and Debenture Stock		1,181,681.54
Net Profit for the period		$1,733,591.00
Less—Preference Dividends Paid	$718,276.73	
Preference Dividends Accrued but not declared at December 31, 1921	259,387.74	
		977,664.47
(Representing Dividends on the first Preferne stock of th British Empire Steel Corporation Limited and on the Preference Stocks of the Constituent Companies for the period from April 16, 1921, to December 31, 1921.)		
Balance at December 31, 1921		$ 755,926.53

SMELTERS TO SAVE $1,000 A DAY FROM NEW SULLIVAN MILL

Issue of Bonds to Retire Others and Build New Mill

MANY ADVANTAGES

Besides Big Saving in Freight —New Bonds Convertible —First for Shareholders —Prospects Bright

From Our Own Correspondent.

MONTREAL.—An important explanation was made by the president of the Consolidated Smelting & Refining Co., J. J. Warren, at a special meeting of shareholders held on Tuesday to ratify an issue of $6,000,000 of 7% bonds; that from the proceeds $1,200,000 would be used to construct a mill at the Sullivan mine, and that the saving on freight alone would be about $1,000 a day, or $300,000 a year. This was on a basis of $1.75 a ton in charges on transporting about 575 tons of ore daily from the Sullivan mine to the Rossland smelter where the present mill is situated. The new mill would also permit a lower grade ore being treated at the new mill such as it did not pay to transport before. In addition it would release the present mill at the smelter to treat the Rossland ore.

Permission was granted to issue $7,500,000 of bonds but of these only $6,000,000 will be issued at present. Half of these will cover the refunding of the present issue outstanding of $3,000,000 in the form of an exchange par for par. Over 90 per cent. of the present holders have agreed to the exchange, as they will be receiving a security with 20 years to run in place of one that has only 7 out of the 10 before it matures.

Of the balance of the proceeds $1,992,000 will be used to wipe out capital indebtedness, the balance covering the cost of the new mill. This will be completed in about eight months.

The president explained that the new bonds would be payable only in Canadian funds where the 10-year bonds were payable in New York funds.

"We think this Canadian institution and Canadian money are good enough for those who hold our bonds," Mr. Warren remarked, adding that the longer term would compensate in the exchange for the privilege of New York funds in the old.

The new bonds will be offered to shareholders first on a basis of one in four, and will be convertible into common stock after 5 years at par.

Speaking of the present operations the president declared that these were quite satisfactory, and he had no reason to think they would not continue so for the rest of the year. So far as the resumption of dividends was concerned, he would not say more than he had at the annual meeting.

ILLINOIS TRACTION

Net Earnings Running Well in Advance of Last Year

From Our Own Correspondent.

MONTREAL.—The April returns of the Illinois Traction Co. show that net earnings are running well in advance of last year's. The gross earnings for the month were about 2 per cent. ahead, $1,821,868 as compared with $1,785,849. The total expenses and taxes were $1,283,737, showing a decrease from the total of one year ago which was $1,325,724 leaving net earnings of $538,130 where one year ago they were $460,125. This shows 16.95 per cent. of an increase over the previous year.

Taking the four months ending April 30, 1922, the gross earnings show an increase of about $150,000, but the expenses fell by over $300,000, leaving net of $2,437,000 as against a net earnings of $1,982,000 one year ago. Thus for the first four months the increase in net earnings over the previous year is 22.94 per cent. The year 1921 both for the month of April and the first four months of the year had shown a decrease over the figures of the previous year.

BRITISH OIL FIELDS

New Stock on Unlisted Section Montreal Exchange of $45,000,000

From Our Own Correspondent.

MONTREAL.—A new addition to the unlisted section of the Montreal Stock Exchange is the stock of British Controlled Oil Fields. This Company was incorporated in 1919 with a Federal charter, and the capital consists of $25,000,000 of preferred stock and $20,000,000 of common stock, each with a par value of $5 a share. This company which holds oil concessions in Central and South America, has recently closed a contract with the Standard Oil Co. of New Jersey by which the latter will develop certain concessions in Venezuela on which a royalty of 12½ per cent. will be paid. The Board of Directors of the company is as follows: B. Elliott Alves, president; Sir E. Mackay Edgar, vice-president; Sir William Mercer, Sir E. P. Stacey, G. D. E. Chapman, Alfred T. Teniers and Lawrence Macfarlane, K. C., of Montreal.

The Montreal Trust Co. holds the common stock. This is represented by voting trust certificates which, it is stated, secures the control for British intersts. The trustees of this are as follows: B. Elliott Alves, Sir E. Mackay Edgar, Rt. Hon. E. G. Pretyman, Sir Martin Conway, Sir William Mercer, Sir John Esplen and Alfred T. Teniers.

MINING CORPORAT'N'S SPECULATIVE SIDE

Strenuous Efforts to Keep In The Field As a Dividend Payer

While income of the Mining Corporation of Canada was curtailed from low silver prices, and there was a deficit which makes the dividend outlook seem uncertain, there is another viewpoint, that of the mining country, the speculative and in this regard the report presents enough fodder for the most exacting. Here are some of the items mentioned that will appeal to the speculatively inclined:

"During 1921 about 200 new properties received consideration."

"Exploration is proceeding on the new silver property in S. Lorrain."

"Russian and Asiatic prospects are unchanged as are mining rights valued at $7,553,125."

"Properties were examined in Kirkland Lake, Shining Tree, Lightning River, Michipocoten, Parry Sound, etc."

"An option has been taken on a copper claim in Hastings."

"Eight claims have been staked in Lightning River."

"When the metal markets improve it will be possible to proceed with the work of developing and equipping the property," says the report of the famous Flin Flon property north of The Pas in Manitoba.

And there are other such items, which go to show that though the Mining Corporation is not at present a bonanza to their stockholders, this company, like many other mining companies, is dying hard and making the most strenuous of efforts to try and perpetuate it as a profit making mining concern for the stockholders.

There are features which must not be lost sight of by those interested when they take under consideration the fact that no dividends are to be expected.

MARKET QUOTATIONS TO BE BROADCAST

Simons, Agnew & Company Installing Powerful Radio Set For Sending Out Mining News

What is believed to be the first radio broadcasting license, to be issued to a brokerage house, has been secured by Simons, Agnew & Company, of Toronto. It is the intention of this house to establish a broadcasting station, with a working radius of 250 miles, and under favorable conditions twice as far, for the sending out of the latest information on mining shares. Local agents are to be appointed in the towns and cities within the radius of the set, who will be supplied with up-to-the-minute quotations during business hours and in the evenings to broadcast lectures and talks on mining topics and conditions in the North Country.

If this experiment proves successful, the local branch will establish radio telegraphic communication with the Boston office, from which they will send and receive quotations.

The estimated cost of the set is $6,000. It is being built by the Canadian Independent Telephone Company, and will be ready by the 15th of July.

TWIN CITY EARNINGS

Expert Says Street Railway Earnings Sufficient to Pay 6%

The Minneapolis Street Railway, a subsidiary of the Twin City Rapid Transit Company is now earning sufficient to pay 6 per cent. on $29,000,000 was the statement made by D. P. Wilcox, an expert employed by the city to valuate the property of the Minneapolis company. With the reduction in operating expenses since January 1st, 1922, the company's true operating income in Minneapolis on the six cent fare will be sufficient to pay 6 per cent. on $40,000,000, according to Mr. Wilcox, who made his report after examination of the company's books. He alleges the troubles of this company and its controversy with the city were due to the joint mortgage it was compelled to assume with the St. Paul City Railway, thus creating a contingent liability for itself of about $5,000,000 from which it derived no benefit and has caused it through the Transit Supply Company to dissipate its surplus and current assets by putting them at the disposal of other subsidiary companies of the Twin City more impecunious than itself.

When You Remit Money

For remitting money anywhere, Bank Drafts and Money Orders are without equal for safety, economy and convenience.

If you wish to send money abroad, a draft from this Bank will prove to be the best medium. For remitting sums up to fifty dollars in Canada, Bank Money Orders are the most convenient.

Ask at this Bank for any further details. 341

IMPERIAL BANK
OF CANADA
216 BRANCHES IN CANADA

Agents in Great Britain: ENGLAND—Lloyds Bank Limited, London and Branches. SCOTLAND — The Commercial Bank of Scotland, Limited, Edinburgh and Branches. IRELAND — Northern Banking Co., Limited, Belfast and Branches. Agents in FRANCE: Lloyds and National Provincial Foreign Bank, Limited, Credit Lyonnais.

The Wabasso Cotton
Company, Limited
THREE RIVERS, P.Q.

Manufacturers of Fine White Cotton, also Spinners' Fine Counts of Yarns

THE FOUNDATION COMPANY
LIMITED
ENGINEERS CONTRACTORS

Hydraulic and Steam Power Developments
Industrial Buildings
Heavy Foundations
Dams and Bridge Piers
Underwater Construction

222 ST. JAMES STREET
MONTREAL

Dominion Textile Company
LIMITED

Manufacturers of
COTTON FABRIC

MONTREAL TORONTO WINNIPEG

Western Canada Flour Mills Company
Limited
A. KELLY, President
J. E. MACFARLANE, Gen. Mgr.
Head Office: Toronto
Mills at
Goderich Winnipeg Calgary
Brandon Edmonton Victoria
Daily Capacity—Flour, 10,000 barrels, Rolled Oats, 1,000 barrels
MANUFACTURERS OF
PURITY FLOUR PURITY OATS

P. Lyall & Sons
Construction
Company, Limited
Toronto - Montreal - Ottawa

CANADA PERMANENT
Mortgage Corporation
Quarterly Dividend

Notice is hereby given that a Dividend of THREE PER CENT for the current quarter, being at the rate of

TWELVE PER CENT. PER ANNUM

on the paid-up Capital Stock of the Corporation, has been declared, and that the same will be payable

MONDAY, THE THIRD DAY OF JULY

next, to Shareholders of record at the close of business on the Fifteenth day of June.

By order of the Board.
GEORGE H. SMITH,
Assistant General Manager.

Toronto, May 25th, 1922.

Commercial Insurance

Many business men, at this time, are realizing that Life Insurance may be just as valuable a protection for their business interests as for their homes.

The Great West Life is issuing many Assurances of this type—upon most attractive terms.

Explanatory pamphlets will be mailed on request.

THE GREAT-WEST
LIFE ASSURANCE COMPANY
Dept. "G"
Head Office - Winnipeg

THE DOMINION BANK

Notice is hereby given that a Dividend of Three Per Cent. upon the paid-up Capital Stock of this Institution has been declared for the quarter ending 30th June, 1922, being at the rate of twelve per cent. per annum, and that the same will be payable at the Head Office of the Bank and its Branches on and after Monday, the third day of July, 1922, to shareholders of record of the 20th June, 1922.

By Order of the Board,
C. A. BOGERT,
General Manager.

Toronto, 19th May, 1922.

REAL ESTATE
Hamilton and Niagara District
City, Farm and Suburban Properties
Valuations Made Correspondence Solicited
FRED HAMILTON, 4 Sun Life Bldg., HAMILTON, ONT

Century Coal Company
LIMITED
Imperial Bank Bldg.,
Montreal, Que.
COAL
TELEPHONE
MAIN 7300

A NEW LINK IN THE CHAIN OF WORLD-WIDE WIRELESS!

The Marconi Wireless Telegraph Company of Canada, Limited, announces the opening on June 1st, of a new Coast Station at Louisburg, N.S., providing greatly improved facilities for handling Radiotelegrams to and from ships at sea.

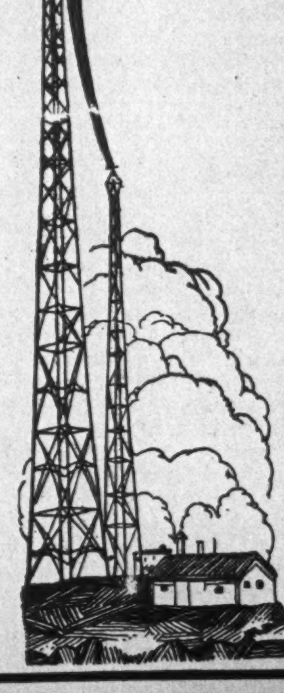
Messages may be filed at any Marconi or other Telegraph Office, addressed, as for example:

John Brown,
Steamer Montrose,
Radio, Louisburg

Rates per word are as follows:
Nova Scotia & New Brunswick 21c
Quebec 22c
Ontario (according to zone) 23c, 26c, 27c
Manitoba 28c
Saskatchewan 29c
Alberta & British Columbia 31c
NO MINIMUM

The MARCONI WIRELESS TELEGRAPH Co. of Canada, Limited

Marconi Building, Montreal
Vancouver, Toronto, Halifax, St. John's, Nfld.



CAN'T MAINTAIN REVENUE WITH FARE REDUCTION

Winnipeg Railway Official Discusses Psychological Factor

CHARTER EXTENSION

Politicians Are Evidently Raising Fare Issue To Delay Action on Application Of the Company

From Our Own Correspondent.

WINNIPEG.—A. W. McLimont, vice-president of the Winnipeg Electric Railway Company refusing the civic urging for a fare reduction stresses his conviction that psychology and practical business economics do not go hand in hand. The city fathers' recent fare reduction plea was accompanied by the declaration that "the psychological effect of a fare reduction would be an increase

venue under conditions that now exist."

The company's refusal has been received by the City Council without comment and is presently in the hands of the street railway committee. Two months have now elapsed since the Winnipeg Electric Railway made formal application for ten year franchise extension (until 1937) to permit of fresh financing in order to undertake its programme of needed extensions and betterments. Mr. McLimont made it clear in his application that delay in the city's decision would necessitate postponing for at least 12 months the carrying out of the company's plans.

There is a disposition among business interests here to regard the request for fare cutting as a subterfuge for delaying decision in the franchise extension proposal. With the advent of June and several weeks elapsed of the period when outdoor work is possible in this part of the country it is no longer likely that the company would be able to proceed in 1922 with the program mapped out at the outset of the season.

Contingent on a franchise extension it had been anticipated that the company would finance this year at least to the extent of $1,000,000. Mr. McLimont has estimated that the extensions and betterments which beyond question will be required by 1927 will cost $3,000,000.

In his current report to the city council Mr. McLimont's analysis of the company's 1921 operations gives a significant indication of actual earnings and reveals the cost of meeting adverse factors. The company's 1921 operations gives a significant indication of actual earnings and reveals the cost of meeting adverse factors. The company's net profits for 1921 were shown as $732,080 but in arriving at these figures Price, Waterhouse, the auditors deducted from operating expenses certain items which the company's officials contended were properly chargeable to operations. These were revenue from sale of power to suburban transit company $21,167; cost of appraisal of property and campaign re fares $50,352; amount expended for deferred maintenance, $111,348. Deducting these amounts from the $732,080 leaves net profits for 1921 of $549,293, "or a return," to quote Mr. McLimont, "of only 5.35 per cent. on the value of the property devoted to transportation purposes."

"It therefore appears," he adds, "that there is no justification for asking the company to decrease fares."

Refusing to experiment in "psychology," Vice-President McLimont comparing the traction situation in Winnipeg with other Canadian cities says: "We have been fighting adverse conditions for several years and have had to put forth tremendous efforts to prevent the company from going into bankruptcy. We are unable at the present time to meet all our obligations; we owe large sums of money for unpaid taxes and other accounts; we have to keep up service, maintain the property and have to contend with many adverse conditions affecting revenue.

"A comparison of fares in Winnipeg with those charged in Montreal, Toronto and Vancouver shows to the advantage of Winnipeg and it will also be observed that in none of these cities is there a workmen's ticket."

ALLEN CREDITORS APPOINT COMMITTEE

Will Consider Several Proposals of Purchase, Meeting Adjourned Until June Fifteenth

Little progress was made at the meeting of the creditors of Allen

with J. W. Bain, K. C. and R. Bulkeley.

LONDON RAILWAY WAGE DEADLOCK

Legislation Before Ontario House May Prove Solution of the Problem

From Our Own Correspondent.

LONDON.—Matters in connection with the dispute between the London Street Railway Company and its employees over the wage reduction that is to be put into effect are still at a deadlock. Both sides, however, are showing a most friendly spirit and in following out the suggestion made at the first meeting of the Conciliation Board got together and talked the situation over. President Charles Currie of Cleveland was here for the conference and listened with much interest to the proposals of the men. The company is greatly handicapped by not having been able to increase fares. The legislation before the Ontario legislature, however, may alter this entire situation and an order may be available which will permit fares to be raised. In the meantime the company is carrying on as best it can with limited income and is unable to maintain wages at present standards. Another meeting of the Conciliation Board will be held shortly. The board comprises John M. McEvoy of London, chairman, F. H. McGuigan, Toronto, representing the company and Frank McKay, of London, representing the employees.

The report of earnings of the Alabama Traction, Light & Power Company for the month of April shows an increase of $53,000 over April, 1921. The operating expenses, however, increased by $25,000, leaving net earnings for the month of $228,000 as compared with $200,000 for April, 1921.

For the twelve months ending April 30, 1922, the gross earnings increased by a little over 5 per cent. or $235,000. Operating expenses, however, were cut down almost to the amount of last year so that the net earnings for the twelve months amounted to $2,413,000 as compared with $2,220,000 or an increase of $182,000 for the year.

Below are given the figures for the month of April and for the twelve months ending April 30, 1922, as compared with corresponding figures for the year 1921:

April	1922	1921
Gross	$417,607	$363,922
Expenses	189,350	163,685
Net	$228,257	$200,237
Twelve Months Ending April	1922	1921
Gross	$4,660,444	$4,425,125
Expenses	2,247,040	2,204,552
Net	$2,413,404	$2,220,573

$3,000,000 MILL FOR NEWSPRINT AT THREE RIVERS

Former Groundwood Pulp Mill Proposition Changed To Paper

$3,000,000 BOND ISSUE

Will Finance Proposition Eventually — Preferred Shareholders Asked To Exchange

From Our Own Correspondent.

MONTREAL.—One of the results of the improved outlook for the manufacture of newsprint in Canada is the decision to erect a $3,000,000 mill at Three Rivers, Quebec, with an estimated output of 150 tons per day or between 45,000 and 50,000 tons per annum. This will be done by the former Three Rivers Pulp and Paper Company which was organ-

rather generous offer to them for the exchange of their stock in that company for similar preferred stock in the new company. The old company was capitalized at $4,000,000 of preferred stock and 80,000 shares of no par value of common stock. The new company will have preferred stock of $1,000,000, and $3,000,000 of bonds, while the common shares will be cut in half and stand at only 40,000 in place of 80,000. In spite of this reduction in the common stock, which doubles the equity of each share, the offer made by the new company to the old shareholders is to exchange the preferred stock, share for share, and pay them their 100 per cent. bonus of common stock just as before.

Ultimately it is understood the cost of the construction will be financed through the issue of $3,000,000 of 7 per cent. first mortgage bonds but these will not be offered till about one year. In the meantime the personal interests behind the old company and in the new, that is Messrs. Timmins, Breakey, Dunlap and others, are financing the new construction, it is understood. Under the new arrangement this issue of bonds comes in ahead of the preferred stock where in the Three Rivers Company there was no bond issue. This would appear to be the only sort of objection the old shareholders might make to the new proposal for an exchange and in connection with the organization of the new company. On the other hand all their investments have been conserved without loss in the face of losses on a good many other similar concerns that were organized about the same time, and in addition the directors concerned are meeting personally the dividend payments from the beginning of the year 1921 up to January 1, 1923, that is two full years at the rate of 7 per cent. In addition also the cost of organization and expenses are likewise being paid for and will never again face the former shareholders.

WESTERN LUMBER

Sales of lumber, reported by the Canadian Western Lumber Company, which includes the Columbia River Lumber Company, for the month of March totalled 11,195,354 feet, for which $250,175 was realized. For the same month in 1921 the sales amounted to 7,871,343 feet and the price realized $236,961.

The aggregate sales for the three months ending March at 23,585,386 feet realized $538,075, while the sales for the same period in the previous year amounting to 16,110,921 feet, realized $498,524.

IMPERIAL BANK

OF CANADA

FORTY-SEVENTH ANNUAL MEETING OF SHAREHOLDERS

The Annual General Meeting of the Imperial Bank of Canada was held at the Head Office in Toronto on Thursday, 25th of May, 1922.

Among those present were: H. H. Love, George J. Morrow, H. Crewe, A. E. Phipps, D. S. Cassels, Prof. Maclennan, H. T. Jaffray, G. C. Harcourt, F. B. Thomson, K. Anderson, A. E. Ferrie, R. Carson, S. N. Davidson, C. C. Annett, J. B. Priestman, E. S. Houston, G. D. Boulton, A. R. B. Hearn, H. Roberts, J. D. Hood, J. H. Rolph, D. Sutherland, A. H. Barlow, G. R. Nelles, G. J. Lackner, J. F. Warbrick, Blain Cherry, A. H. Seguin, F. S. Glassco, J. A. Forster, E. B. Reynolds, G. C. Brown, W. G. More, W. Bourke, Lt.-Col. J. F. Michie, G. C. Heintzman, E. S. Waldie, J. W. Hobbs, Dr. W. H. Merritt, Mr. Peleg Howland, J. A. Northway, E. H. Anderson, O. D. Robinson, J. J. Cook, Mr. LeMesurier, Dr. Grasett, Mr. Harris, J. Kerr Fisken, John F. Risley, A. Rankin, Dr. F. King, Graham Campbell, Dr. T. Armstrong, William Crocker, W. H. Knowlton, Very Rev. E. C. Paget, T. W. Paterson, A. C. Morris, C. M. Gripton, H. W. Evans, C. M. Griffiths, C. N. Sutherland, R. J. Dilworth, R. Ross, F. D. Brown, J. C. Moor, A. C. McCollum, D. W. Hughes, Dr. F. Beemer, H. Vigeon, S. J. Jeffrey, E. Chantler, T. H. Gooch, Dr. J. A. McCollum, T. G. Inwood, James McNeil, New York; W. M. Douglas, John Cowan, H. C. Boomer, Alfred Bicknell, J. W. Bain, W. C. Crowther, A. McPherson, E. D. Armour, R. Carswell, A. P. Burritt, T. E. Macdonald, C. C. Jeffrey.

The Directors' Report and Statement of Affairs of the Bank for the year ending 29th of April, 1922, were presented as follows:

THE REPORT

The Directors have pleasure in presenting to the Shareholders the Forty-seventh Annual Report and Balance Sheet of the affairs of the Bank as on 29th April, 1922, together with Statement of Profit and Loss Account, showing the result of the operations for the year:

The balance at credit of Profit and Loss Account brought forward from the last year was	$1,171,839.60
The net profits for the year, after deducting charges of management, auditors' fees and interest due depositors, and after making provision for bad and doubtful debts and for rebate on bills under discount were	1,265,838.64
Making a total at credit of Profit and Loss Account of	$2,437,678.24
This amount has been appropriated as follows:	
Dividends at the rate of 12% per annum	$ 840,000.00
Special Bonus of 1% for the year	70,000.00
Annual Contributions to Officers' Pension and Guarantee Funds	42,500.00
Reserved for Bank Premises	200,000.00
Dominion Government Taxes Paid and Estimated	110,000.00
Balance of Account Carried Forward	1,175,178.24
	$2,437,678.24

During the year branches of the Bank have been opened at Jasper, Alberta; Harding, Manitoba, and Tottenham, Ontario.

The following branches have been closed:

In Alberta—Bittern Lake; Edmonton, 124th Street; Friedenstal, Leslieville.
In Ontario—Ramore, Union, Welland South.
In Quebec—St. Jovite Station.
In Saskatchewan—Cando, Carlton.

It is with great regret that your Directors have to record the death during the year of the General Manager, Mr. William Moffat, also of Mr. Edward Hay, formerly General Manager and latterly a director. Both these officers devoted practically their entire business careers to the service of the Bank.

Mr. A. E. Phipps, formerly Assistant General Manager, has been appointed General Manager, and Mr. G. D. Boulton, formerly Chief Inspector, and Mr. H. T. Jaffray, formerly Western Superintendent, have been appointed Assistant General Managers. The vacancy in the Board has been filled by the appointment of Mr. John W. Hobbs.

Your Directors feel it would be more convenient to the Shareholders to hold the Annual Meeting in future in November in place of April as heretofore, and a by-law changing the date of the Annual Meeting will be submitted to you for your approval.

The Head Office and Branches of the Bank, now numbering 212, have in accordance with the custom been carefully inspected during the year, and the Auditors appointed by you have also made their examinations as required by law. Their Report and Certificate is attached to the Balance Sheet.

The Directors have again pleasure in testifying to the efficient and satisfactory manner in which the officers of the Bank have discharged their respective duties during the year.

All of which is respectfully submitted.

Deposits not bearing interest	$20,091,430.00	
Deposits bearing interest, including interest accrued to date of statement	78,341,272.73	
		98,432,702.73
Balances due to other Banks in Canada	543,002.74	
Due to Banks and Banking Correspondents in the United Kingdom	12,486.97	
Deposits by and Balances due to Banks elsewhere than in Canada and the United Kingdom	491,554.56	
Acceptances under Letters of Credit (as per contra)	100,700.00	
		1,147,744.27
Total Liabilities to the Public		$109,431,586.00
Capital Stock paid in		7,000,000.00
Reserve Fund Account	$ 7,500,000.00	
Dividend No. 127 (payable 1st May, 1922), for three months at the rate of 12% per annum	210,000.00	
Bonus of 1% for the year, payable May 1st, 1922	70,000.00	
Balance of Profit and Loss Account carried forward	1,175,178.24	
		8,955,178.24
		$125,386,764.24

ASSETS

Current Coin held by the Bank	$ 1,802,073.42	
Dominion Government Notes	12,804,066.25	
		14,606,139.67
Deposit in the Central Gold Reserves		4,002,533.32
Deposit with the Minister for the purposes of the Circulation Fund		369,040.47
Notes of other Banks		998,045.00
Cheques on other Banks		5,680,686.64
Balances due by other Banks in Canada		397,580.57
Due from Banks and Banking Correspondents in the United Kingdom		262,052.40
Due from Banks and Banking Correspondents, elsewhere than in Canada and the United Kingdom		2,013,825.77
		$ 28,329,903.84
Dominion and Provincial Government Securities, not exceeding market value	$14,153,700.38	
Canadian Municipal Securities and British, Foreign and Colonial Public Securities other than Canadian	1,479,770.71	
Railway and other Bonds, Debentures and Stocks, not exceeding market value	857,016.41	
		16,490,487.50
Loans to Provincial Governments	$ 1,044,902.40	
Loans to Cities, Towns, Municipalities and School Districts	7,000,827.59	
Call and Short Loans (not exceeding thirty days) in Canada on Bonds, Debentures and Stocks	3,964,800.91	
Call and Short Loans (not exceeding thirty days) elsewhere than in Canada	1,800,000.00	
		13,810,530.90
		$ 58,630,922.24
Other current Loans and Discounts in Canada (less rebate of interest)		$ 59,151,220.62
Liabilities of Customers under Letters of Credit (as per contra)		100,700.00
Overdue Debts (estimated loss provided for)		352,154.45
Real Estate (other than Bank Premises)		552,616.33
Mortgages on Real Estate sold by the Bank		408,026.70
Bank Premises, at not more than cost, less amounts written off		5,521,006.30
Other Assets not included in the foregoing		670,117.60
		$125,386,764.24

PELEG HOWLAND,
President.

A. E. PHIPPS,
General Manager.

AUDITORS' REPORT TO SHAREHOLDERS:

We have compared the above Balance Sheet with the books and accounts at the Chief Office of Imperial Bank of Canada and with the certified returns received from its Branches, and after checking the cash and verifying the securities at the Chief Office and certain of the principal Branches on 29th April 1922, we certify that in our opinion such Balance Sheet exhibits a true and correct view of the Bank's affairs according to the best of our information the explanations given to us and as shown by the books of the Bank.

In addition to the examinations mentioned, the cash and securities at the Chief Office and certain of the principal Branches were checked and verified by us during the year and found to be in accord with the books of the Bank.

All information and explanations required have been given to us and all transactions of the Bank which have come under our notice have in our opinion been within the power of the Bank.

G. T. CLARKSON, F.C.A.
R. J. DILWORTH, F.C.A.
of Clarkson, Gordon & Dilworth.

Toronto, 17th May, 1922.

The President in his address reviewed general business conditions and the General Manager explained the various items and changes in the Balance Sheet. The Report was adopted unanimously and other customary motions made and carried.

Mr. G. T. Clarkson, F.C.A., Toronto, and Mr. R. J. Dilworth, F.C.A., Toronto, were appointed Auditors until the next Annual General Meeting.

The Scrutineers appointed at the Meeting reported the following Shareholders duly elected as Directors:—Peleg Howland, Wm. Hamilton Merritt, M.D., Sir James Aikins, K.C, John Northway, Lt.-Col. J. F. Michie, Sir James Woods, Frank A. Rolph, R. S. Waldie, George C. Heintzman, J. W. Hobbs.

At a subsequent meeting of the Directors, Mr. Peleg Howland was re-elected President and Dr. Wm. Hamilton Merritt, Vice-President of the Bank.

PELEG HOWLAND,
President.

A. E. PHIPPS,
General Manager.

MONEY, BANKING AND EXCHANGE

BANK STATEMENT SHOWS BUSINESS AGAIN EXPANDING

Increase in Loans, Circulation and Assets During April

A continued increase in current loans and a considerable expansion of assets in the statement of chartered banks as at the end of April indicates that business is again expanding. Current loans increased nearly $14,000,000 during the month, but were still more than $118,000,000 less than a year ago, while gross assets which increased over $41,000,000 and now total $2,663,824,458, were $41,000,000 more than for the previous month, but nearly $195,000,000 less than a year before. The increase in current loans was more pronounced since the decline which started in October, but which was checked during February. The high point of $1,243,748,818 reported at the end of October was reduced to $1,138,151,455 in the January statement and has now expanded to $1,162,975,333.

Another important increase during the month was one of nearly $12,500,000 in call loans abroad, while call loans in Canada were reduced by about $1,500,000. As compared with one year ago call loans are $22,000,000 greater and Canadian call loans $8,250,000 less.

Another evidence of expanding business was the increase of $2,000,000 in circulation during the month, contrasted with a decrease of $38,500,000 as compared with a year ago.

Investments in municipal securities increased over $5,000,000 during the month but investments in public securities, railway securities, and current loans abroad were considerably reduced and the banks to find employment for their funds evidently left them in foreign banks, the increase in deposits in these banks and in banks of the United Kingdom being over $5,000,000 and nearly $3,000,000 respectively.

There was a decline during the month of nearly $12,500,000 in savings deposits, the decrease as compared with a year ago now being about $95,500,000. Demand deposits were more than $18,000,000 greater and the liabilities to the Dominion Government increased over $15,000,000 while liabilities to Provincial Governments increased by nearly $6,000,000. Comparative figures are given at foot of this prefix.

MONTREAL

The Bank of Montreal announces the following appointments of managers: T. E. B. Yates, manager at Stirling, appointed manager at Port Hope; G. A. C. Weir, appointed manager at Spokane. Wash.: G. B. Hutchings, manager at 12 King Street East, Hamilton, appointed acting manager at West Toronto.

COMMERCE

J. A. Russell, manager of the Windsor, N.S., branch of the Canadian Bank of Commerce, is retiring after fifty-four years in the banking profession, forty of which he has officiated as manager. In 1868 Mr. Russell entered a branch of the Provincial Bank of Ireland, and nine years later severed his connection with that institution and entered the Bank of British North America. After six years service with that bank Mr. Russell was appointed accountant and acting inspector of the Halifax Banking Company. In September, 1882, he was appointed manager of the Windsor branch of the Halifax Banking Co., and when that institution was absorbed by the Bank of Commerce, Mr. Russell continued as its head there.

Is Europe Doomed? Asks Francis W. Hirst

According to Mr. Francis W. Hirst, editor of the London Economist, "the present discontents of Europe are at the bottom economic," and he discusses them in the July Yale Review in the light of the attempts at financial reconstruction made by the Genoa Conference. Mr. Hirst points out the meaning of recent movements in the international exchange, and the complications involved in the inter-Allied war debts, including the eleven billions owed to the United States. "An Englishman," he writes, "is perhaps the only person who can speak about the war debts with propriety and candor to an American," and he continues: "A more dismal and painful subject, alike to debtors and creditors, it were hard to conceive than that of the inter-Allied war debts, inextricably entangled as they are with the still more melancholy problem of German reparations. Never since the affair of Shylock has legal justice been more sharply divorced from reason and expediency." Mr. Hirst contends that whatever success the Genoa Conference may have in alleviating the bankrupt state of Europe will be largely due to the action of the United States government in declining to participate in the Conference—or rather to the reason assigned for that action which is bringing pressure to bear on European statesmen for further disarmament.

OPTIMISTIC REPORTS FROM SASKATCHEWAN

Excellent Growing Weather is Now Being Generally Experienced

From Our Own Correspondent.

REGINA.—All the wheat which Saskatchewan farmers will seed this year is now in the ground and the feeling of uneasiness and pessimism which attended the period of heavy rains during the first half of May, is gradually being dispersed by the excellent growing weather prevailing in all parts of the province.

Preliminary surveys of the situation made by THE FINANCIAL POST correspondent, indicate that of the 13,500,000 acres designated for wheat-growing at the commencement of the season, from 85 to 90 per cent. has actually been seeded. The remainder will be used for oats, flax and barley, crops which require less time to mature. Government reports are authority for the decrease in the acreage and although the figures are necessarily more or less indefinite, it seems reasonable to place the area under wheat in Saskatchewan this year at approximately the same as in 1921.

Information secured by the Saskatchewan Co-operative Elevator Company from its 300 odd branches in the province are most encouraging. Growing conditions are declared to be even better than early last year. Even with 1,300,000 acres less under cultivation for wheat than was expected, a very large increase over the yields secured last year may reasonably be expected with the continuance of these favorable weather conditions. Farmers from all sections, with the exception of the extreme Northeast, state that there are such large reserves of moisture in the soil, that rain will not be necessary before June 15 to June 30.

ANALYSIS OF BANK STATEMENT FOR ~~FEBRUARY~~ APRIL

ASSETS

Immediately Available Liquid Resources.

	April, 1922	March 1922	Change in Month	April 1921	Change in Year
1—Specie	$75,016,164	$ 76,468,966	— $1,452,802	$82,328,089	— $7,311,952
2—Dom. notes	166,401,582	165,811,694	+ 589,888	158,857,442	+ 7,544,140
4—Gold reserve	60,052,533	60,352,533	— 300,000	88,702,533	— 28,650,000
9—U. K. Banks	12,111,325	9,202,717	+ 2,908,608	9,544,069	+ 2,567,256
10—Foreign Bks.	60,246,900	55,111,374	+ 5,135,526	63,522,992	— 3,276,092
11—Gov. Sec.	219,918,257	219,801,617	+ 116,640	135,998,994	+ 83,919,263
15—Call l'ns ab'd.	176,169,482	163,779,882	+ 12,389,600	154,173,055	+ 21,996,427
	$769,916,243	$750,528,783	+$19,387,460	$693,127,174	+ $76,789,069
Loans and Securities Other Than Those of Canadian Government.					
12—Public sec.	$79,191,067	$87,764,030	— $8,572,963	$179,892,193	—$100,701,126
13—Railway Sec.	43,879,471	46,097,520	— 2,218,049	46,605,691	— 2,726,220
14—Can. call loans	102,055,932	103,638,801	— 1,632,869	110,289,586	— 8,283,654
16—Current	1,162,975,332	1,149,187,869	+ 13,787,463	1,281,145,047	— 118,169,715
17—Loans ab'd	150,715,088	151,969,504	— 1,254,416	159,707,351	— 8,992,263
19—Prov. loans	8,391,823	6,830,088	+ 1,561,735	16,158,294	— 7,766,471
20—Municipal	80,902,762	75,766,338	+ 5,136,424	79,043,238	+ 1,859,524
	$1,628,061,475	$1,621,254,150	+ $6,807,325	$1,872,841,400	—$244,779,925
Other Assets					
21—Overdue debts	$7,529,253	$7,711,841	— $182,588	$5,908,753	+ $1,620,500
22—Real estate	4,818,647	4,537,621	+ 281,026	4,343,266	+ 475,381
23—Mortgages	3,155,689	3,199,157	— 43,468	3,044,686	+ 151,003
24—Premises	70,101,986	69,702,986	+ 399,000	64,400,435	+ 5,701,551
25—Lets of cred.	16,537,969	17,006,674	— 468,705	36,897,586	— 20,359,617
26—Other assets	4,304,445	4,424,058	— 119,613	3,966,482	+ 337,963
	$106,447,989	$106,582,337	—$ 134,348	$118,521,208	— $12,073,219
Total	$2,504,425,707	$2,478,365,270	+$26,060,437	$2,684,489,782	—$180,064,075
3—Note cir. dep.	6,534,020	6,538,249	— 4,229	6,306,578	+ 227,442
5-8—Int. Bk. bal.	152,864,731	137,852,981	+ 15,011,750	167,728,818	— 14,864,087
Gross.	$2,663,824,458	$2,622,756,500	+$41,067,958	$2,858,525,178	—$194,700,720
LIABILITIES TO THE PUBLIC					
Liability to Government and Circulation.					
1—Circulation	$164,724,476	$162,651,367	+ $2,073,109	$203,273,548	— $38,549,072
2—Dom. Gov.	113,889,895	98,796,974	+ 15,092,921	105,336,247	+ 8,553,648
3—Prov. Gov.	31,863,123	25,902,232	+ 5,960,891	25,287,313	+ 6,575,810
4—Demand dep.	502,370,799	484,233,074	+$18,137,725	$552,121,294	— 49,750,495
5—Savings	1,218,195,262	1,230,628,840	— 12,433,578	1,313,832,514	— 95,637,252
Total	$1,720,566,061	$1,714,861,914	+ $5,704,147	$1,805,953,808	—$145,387,747
6—Foreign dep.	279,525,143	265,747,914	+ 13,777,229	267,600,093	+ 11,925,050
Due to Banks Abroad, Etc.					
9—U. Kingdom	10,279,739	$10,053,731	+ 226,008	$9,065,842	+ $1,213,897
10—Foreign	35,332,540	35,721,029	— 388,489	32,793,781	+ 2,538,759
11—Bills payable	6,421,566	6,554,098	— 132,532	12,952,903	— 6,531,337
12—Acceptances	16,226,853	17,006,674	— 779,821	36,897,586	— 20,670,733
13—Other liab.	3,012,432	2,546,282	+ 466,150	3,234,261	— 221,829
Public liab.	$2,381,841,838	$2,339,842,215	+$41,999,623	$2,562,395,382	—$180,553,544
8—Due bet. bks.	9,714,257	8,828,369	+ 885,888	11,750,851	— 2,036,594
Gross	$2,391,556,095	$2,348,670,584	+$42,885,511	$2,574,146,233	—$182,590,138

STERLING AGAIN REMAINED STEADY DURING PAST WEEK

Never Once Touched Recent High—Canadian Discount Rate Higher

With the movements limited to less than a point, Sterling has continued to hover in the vicinity of $4.44¾. In fact, for the past month the pound has remained remarkably steady and fluctuations have been extremely small. This steadiness has led to a good deal of conjecture. Some are of the opinion that Sterling has been held down by the purchasing of dollars by the British Exchequer to make provisions for the coming payment of interest on England's war debit to the United States goverment. However, the British price levels in comparison with the American price level, show that at present, the purchasing power of the pound in England and the United States is about even, which would indicate a steady exchange rate rather than upward or downward movement.

In spite of the fact that British April foreign trade returns compare unfavorably with those of March the situation is not as discouraging as it first appears to be. A drop of £9,000,000 in exports, a decline of £1,000,000 in re-exports, and a fall of £7,200,000 in imports can be accounted for by the labor difficulties and the Easter holidays. But when these figures are compared with a year ago, it is at once apparent that British export trade is in a much bettter position than was the case last year. It is estimated that English exports of manufactured and semi-manufactured goods amount now to about 65 per cent. of those in 1913 which is a good deal better than she had been doing. It is very largely due to factors of this type more than any other that Sterling has been able to hold its own in spite of seemingly unfavorable political news.

Canadian funds during the pas week moved up above 1 per cent. fo the first time in several weeks. Th lowest point touched was 15-16 pe cent.

NEW YORK FUNDS

May 25.—Funds ranged from a high of 31-32 to a low of 29.32.

May 26.—Opened at 29-32, moved up to a high of 1, closing at 31.32.

May 27—Touched a high of 1 1-32 closed at 31-32.

May 29—Opened at 1, sold as low as 15-16, closed at 31-32.

May 31—Funds held steady around 1 per cent., closing at 31-32.

STERLING AND FRANCS

May 25	$4.44 13-16	$4.45 9-16		
May 26	4.44 3-4	4.45 1-2	10.96	10.96
May 27	4.44 3-4	4.45 1-2		
May 29	4.44 7-8	4.45 5-8	10.95	10.97
May 30			10.94	10.96
May 31	$4.44 15-16	$4.45 11-16	10.95	10.97

Weekly Bank Clearings

(In comparison with same week last year)

EASTER CITIES

	May 25, 1922	Change	%
Toronto	$ 85,622,250	—$ 5,433,212	5.9
Montreal	79,763,001	— 21,189,362	20.9
Ottawa	5,966,300	— 1,029,963	14.8
Hamilton	4,457,238	— 474,483	9.6
Halifax	2,510,491	— 242,583	8.8
Windsor	2,601,697	— 330,069	11.6
St. John	2,377,453	+ 109,438	4.8
London	2,250,664	— 334,137	12.9
Kingston	510,480		
Kitchener	926,493	+ 90,562	10.8
Moncton	903,662	— 476,904	34.5
Brantford	820,310	— 195,458	19.2
Petrboro'	603,015	— 163,713	21.3
Sherbrooke	542,359	— 423,664	43.8
Total East	$189,244,933	—$30,093,548	13.7

WESTERN CITIES

	May 25, 1922	Change	%
Winnipeg	$ 36,206,823	—$11,406,594	23.0
Vancouver	10,970,475	— 496,491	4.3
Calgary	4,095,531	— 1,640,587	28.3
Edmonton	4,067,587	— 353,302	7.0
Victoria	2,676,192	+ 779,779	41.1
Regina	2,116,452	— 912,274	30.1
Saskatoon	1,177,485	— 227,209	16.1
Fort William	928,012	+ 279,371	43.1
Moose Jaw	752,630	— 259,945	25.6
Lethbridge	452,501	— 83,011	15.5
N. Westminster	448,298	— 55,121	10.9
Brandon	420,577	— 107,294	20.3
Medicine Hat	234,844	— 142,623	37.6
Total West	$ 64,547,407	—$14,625,281	18.4
Prince Albert	247,053		
Grand total	$253,792,340	—$44,718,829	14.0
Yr. to date	$5,068,931,023	—$486,493,219	8.7

Monthly Bank Clearings

(In comparison with same month last year)

EASTERN CITIES

	May, 1922	Change	%
Montreal	$510,078,122	—$14,102,090	2.6
Toronto	451,495,337	+ 15,614,270	3.5
Ottawa	44,547,372	+ 397,510	.9
Hamilton	25,385,703	— 1,803,529	6.6
Quebec	23,918,642	— 2,843,064	10.6
Windsor	15,297,212	+ 993,725	6.9
St. John	14,208,802	+ 1,312,949	10.1
Halifax	13,869,133	— 811,142	5.5
London	13,598,701	— 1,221,466	8.3
Moncton	5,545,490	+ 483,418	9.5
Kitchener	4,920,530	+ 214,256	4.5
Brantford	4,614,494	— 628,396	11.9
Sherbrooke	4,186,286	— 1,371,059	24.6
Peterboro'	3,427,853	— 812,903	19.1
Kingston	2,996,887	— 630,127	17.3
Total East	$1,138,090,564	— $5,207,653	.4

WESTERN CITIES

	May, 1922	Change	%
Winnipeg	$210,225,322	— $7,340,529	3.2
Vancouver	57,530,861	— 2,004,485	3.3
Calgary	22,263,230	— 7,029,227	23.9
Edmonton	21,428,244	— 281,995	1.2
Regina	12,088,052	— 3,089,585	20.3
Victoria	9,430,004	— 575,063	5.7
Saskatoon	6,938,882	— 367,193	5.0
Moose Jaw	4,531,694	— 748,618	14.1
Ft. William	3,559,706	+ 124,984	3.6
N. W'm'ster	2,435,541	— 256,842	9.5
Brandon	2,434,721	— 499,621	17.0
Lethbridge	2,219,655	— 653,167	22.7
Med. Hat	1,376,363	— 419,462	23.3
Total West	$356,462,275	—$23,140,803	6.9
Grand Total	$1,494,552,839	—$28,348,456	1.8
Pr. Albert	1,411,930	....	...

LOWER FREIGHTS AND WAGES SHOULD MEAN GOOD TIMES

(Continued from page 1)

income is more than current outgo at the prevailing cost of living this reserve buying power will be exercised to a greater extent. Higher wages, more employment and lower prices will bring this about. In this connection the agricultural community must be particularly considered and much depends on the crop. In the west many farmers will need a good yield to get back on their financial feet while in the east returns which will show a reasonable profit will put the agriculturists in the spending humor again.

Fortunately crop reports continue to be generally satisfactory. It is significant too in relation to the price prospects for exportable grain that unsatisfactory reports are being received from European countries indicating that there will be a substantial demand if financial arrangements can be made so as to set a basis on which trading can be conducted satisfactorily.

This improvement in the situation as regards the farmer was referred to at the annual meeting of the Imperial Bank by the president, Peleg Howland, when he said:

> "The farmer has better prospects than a year ago. His seeding has been done under fair conditions; he is economizing, getting his labor cheaper, doing his work cheaper and producing cheaper in practically all respects than last year, and notwithstanding the restrictions on his market is getting remunerative prices for hogs, in some cases for cattle, and the promise of reasonable returns for grain. He would seem then to have a good chance of coming out with his accounts on the right side. If he does it will help us all mightily."

Reports from the United States which probably reflect a situation somewhat further developed than that in Canada indicate that while industrial conditions are still irregular there are two definite signs of improvement: first, there is no longer any serious problem of unemployment, except in those lines where it is more or less voluntary; that is, where large bodies of men are on strike. Secondly, concrete evidence of greater earnings is furnished by dividend action; reductions in dividend rates ceased some months ago. Now, companies in several lines are beginning to increase, or re-establish, payments.

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To provide the utmost protection for investors in Municipal Bankers Bonds and to assure a ready market for those who may desire to sell their holdings, a Trust Mortgage provides for substantial payments into a Sinking Fund which is deposited with the Montreal Trust Company, as Trustee for the bondholders.

This Sinking Fund at maturity will amount to over 40% of the bonds outstanding. Thus Municipal Bankers Bonds will be backed not only dollar for dollar by Government and municipal bonds and mortgages, but each $1,000 Municipal Bankers Bond will have the backing of $1,400 in carefully selected mortgages and Government and Municipal Bonds actually deposited with the Montreal Trust Company.

The money so deposited in the Sinking Fund will be used to repurchase Municipal Bankers Bonds.

In addition to the Sinking Fund market for these bonds, investors will have the natural market for a bond with such exceptional security and yielding such a liberal rate of interest.

Other Attractive Features

Municipal Bankers Bonds are guaranteed unconditionally as to principal and interest.

They pay the highest rate of interest consistent with safety.

They are in convenient denominations—$100, $500, and $1000.

Gordon and Walls
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Fill in the Coupon and receive a free copy of "Dollar for Dollar," which answers your questions about Municipal Bankers Bonds.

MESSRS. GORDON AND WALLS,
35 Victoria Street, Toronto:
Send me a copy of "Dollar for Dollar," describing Municipal Bankers Bonds.
Name ....
Address ....
"F. P." ....
6

Well-Secured Bonds Yield 7½% to 9%

These Bonds are so attractive that we want to tell you about them.

They are First Mortgage Bonds of certain well-established Canadian industries — manufacturing concerns of high rank.

They represent a class of high-grade industrial bond that has not yet risen in price to the same extent as most Government and Municipal Bonds, and afford a sound investment at an attractive price.

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Silent Knight, seven-passenger Model 88-4 in splendid condition, $1,200. This is a special high-class model not now made.
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from 2½% to 8% at half per cent. rates on $100 to $10,000 from 1 day to 368 days.
For sale in single copies or in quantities by
The Toronto General Trust Corporation
Executor B. W. Murray Estate.
83 Bay St eet, Toronto.

Clifton Porcupine

THE milling plant, which is now all that is needed to place this mine on a producing basis, will be built during the coming summer.

Before fall, the mine will be on a basis of profitable production.

A limited number of shares are still available at 30c per share.

Write for details of our "Money-Back" offering of this stock.

Homer L. Gibson
AND COMPANY
Bank of Hamilton Bldg.
TORONTO.

Will H. Hays, president of the Producers and Distributors Association, says the motion picture industry, representing investment of $500,000,000 employs 50,000 persons at annual salaries totalling $50,000,000. He says the public pays $800,000,000 in "movie" admissions yearly.

DIVIDEND PAYMENTS

Company	Date	Rate	Record
M. Cottons com..	June 15	1½	May 31
Do pref..	June 15	1¾	May 31
Belding Cortic...	June 15	1¾	June 1
C. P. R.	June 30	2½	June 1
D. Textile com..	July 3	3	June 15
Do pref..	July 15	1¾	June 30
Trinidad Elec	July 10	1	July 1
Ham. Provident..	July 2	5	June 15
Penn. W. & Pr...	July 1	1¾	June 16
Landed Bk & L.	July 3	4+½	June 15
Hollinger	June 17	1	June 2
Sher. Wil. com..	June 26	1½	June 15
Do pref..	June 26	1¾	June 15
Mont. Loan	June 15	3	May 31
Bk. of N. S.	July 3	4	June 15
Can. Landed	July 3	2½	June 15
Tucketts com.	July 15	1	June 30
Do pref..	July 15	1¾	June 30
London Loan	June 30	1¾	June 15
Mackay com.	July 1	1½	June 7
Do pref..	July 1	1	June 7
D. Glass com....	July 1	1½	June 15
Do pref..	July 1	1¾	June 15
St. Maur. Paper.	June 16	1¼	June 6
Molsons Bank	July 3	3	June 15
Can. Permanent..	July 3	3	June 15

NEWS AND VIEWS FOR MANAGERS

BORROWING IN UNITED STATES AND EXCHANGE

International Trade is in Goods and Not Money

By A. B. BARKER,
Managr Toronto lCearing House.

The bank is a big dealer in exchange. By this is meant, as a rule, foreign exchange, under which head will come the dealings in New York funds, sterling, francs, Hong Kong currency, and Japanese currency—and in fact any dealings with foreign countries involving money.

Now in this connection it must be premised that the money of one country is of no use in another. Gold, of course is, but gold between countries, it must be remembered, is paid and received by weight. What usually passes for money in the different countries is not really money but merely a promise to pay money and no matter what its status in the country of issue, that status does not obtain across the border. For instance, you have $100 in American currency. This is simply a promise of some bank in the U. S. or the government of the U. S. to pay the face value of the notes on presentation at place of issue. It is accepted here and at the present time will bring a premium simply and solely because the public knows it can be used to pay debts or purchase goods in the U. S. to its face value, or that they can demand gold for it if they so desire in the United States.

Canadian currency in the U. S. is at a discount over there simply and solely because the American public know that it will not be redeemed in specie for its face value in Canada at the present time.

Loans and Goods

The money of any country must be sent to the country of issue for redemption, and there its only use is to exchange for commodities or services. At the present time we are borrowing largely in the U. S. through the sales of securities of various kinds, and it will be well to remember that the proceeds of these loans will not come to Canada in the form of money, but in the form of goods, and this is true whether the goods are shipped in after the loan is made or whether, as at the present time, the goods have already been shipped in and are to be paid for. Also when these loans are repaid, or when the interest is paid, payment must be made in the form of goods. This always has been the case but it is not so apparent in normal times because our trade was three-cornered. We sold to Great Britain much more than we purchased from her, and also we borrowed quite heavily through the sale of securities in that market. Then as now, we bought more from the U. S. than we sold, but, as the Americans were indebted to Great Britain on balance we were able to obtain supplies of New York funds to pay our debts in the U. S. by selling sterling on that market. There is a saying attributed to Abraham Lincoln that if you buy from a foreigner you get the goods and he gets the money, but if you buy at home you get both the goods and the money—although what poor old Lincoln did to have this tommy rot ascribed to him it is hard to say. The truth of the matter is that trade does not consist in the exchange of goods for money but in the exchange of goods for other goods or services, and all the political stump speakers cannot change it. The silly remark referred to, however, is one of those which are coined for use i ncampaign speeches that arouse a big cheer and mean nothing.

A Form of Credit

Exchange is simply a form of credit arising from the exchange of goods or services. It is a commodity quite as much as the goods in exchange of which gave rise to it, and the bank in dealing with credit buys and sells this commodity in just the same way that a grocer buys and sells butter and eggs, and the same principles of merchandising govern in one case as in the other. It buys at wholesale and sells at retail, and, like any other trader, it makes its profits on the turnover. The principle of it is extremely simple but of course that is not to say that dealing in exchange so as to make a profit and still keep your customer, is easy. The first Baron Rothschild said that to get rich all a man had to do was to buy cheap and sell dear, and there you are—very simple but not easy.

SUPPORTS SIFTON IDEA

General Manager of Bank of Hamilton On Immigration

J. P. Bell, President of the Hamilton Chamber of Commerce, and general manager of the Bank of Hamilton, has sent a letter to kindred organizations in Ontario, urging their officials to bring pressure to bear at Ottawa to have the immigration policy enunciated by Sir Clifford Sifton carried out.

The war debt, Mr. Bell contends, would not cause the citizens of Canada much anxiety were it not for the huge deficits piled up annually by the National Railway. With a reasonably efficient operation, these railways can be made to operate on a profitable basis, provided the Western Provinces receive several thousand experienced farmers who would engage in productive enterprise on the prairies. No other question confronting Canadian statesmen was so important as, or deserving of speedier action than a sane immigration policy.

CHECK TAX WOULD CLOG THE BANKS

Canadian Bankers Association Will Point Out Difficulties to Ottawa

The Fielding budget proposal of a 2-cent levy on every $50 of the face of cheques gives the average bank man, and particularly the teller, something to ponder over. Figure it out. Some of the large cheques would present a problem. Even supposing stamps of many denominations were made it would be a puzzle to get stamps on checks of large amounts without destroying the face of the document. And consider the joys of the teller with all of these many priced stamps to be selected and stuck in place while there is a long line of customers at his wicket.

Head office officials state that the proposal as it stands is hardly workable because of the detail labor which would clog up the machinery of the banks. The Canadian Bankers' Association has already considered the matter and representations will be made to Ottawa to show the reasons why the proposal as it stands should not be adopted.

MARKS WORTH ABOUT THREE TO A CENT

A High Sign of Currency Dissolution Watched The World Over

The inflation of the mark is the high sign of currency dissolution watched all over the world, according to the Bache Review. During January, as has been said, the inflation was comparatively small, but this was a sign of promise which has not been filled. At the end of February the figures had jumped to one hundred and twenty billion marks, on March 31st to one hundred and thirty billion, and on April 29th to one hundred and forty billion—a 10,000,000,000-mark inflation for each of the later months.

The report says that the mark fluctuated during April between 288 and 305 to the dollar, showing a slight improvement as the month progressed—probably due to the uncertainties created by the Genoa Conference.

The New York cable rate on April 1st was $0,0033. It fell to $0.0031 on April 4th, reached the high point of $0.0037 on April 25th, and stood at $0.0035 on the first of May.

Last week the range was around 35 hundredths of a cent. The rate stood on January 3rd, at 52 hundredths of one cent, on February 1st at 49 and on March 2nd at 41.

TO REPEAL PART OF LOAN COMPANIES ACT

Difficulties Between Provincial Legislature and Ottawa Have Been Cleared

"Everything has been arranged satisfactorily," said Mr. Evan Gray to THE FINANCIAL POST, in regard to the Dominion Government's objection to the Loan Companies Act passed last year. "Sub-section 2 of 139b, dealing with the cancellation of registry of loan companies has been repealed," continued Mr. Gray, "and the remaining difficulties have been cleared away."

The Dominion Government through the governor-in-council was disposed to disallow legislation passed by the Ontario legislature of its last session for the control of loan trust companies. The last day of the period during which the Dominion can veto the provincial bill is next Saturday. It was in this regard that Mr. Gray went to the Capital to champion Ontario's action and to explain the province's viewpoint.

The proper name of the Act that was questioned is "the Ontario Loan and Trust Companies Act, 1921." It is understood that the validity of the bill has been under discussion between Toronto and Ottawa for some time.

The position of Ontario is not dissimilar from that of the other provinces in this matter. All the provinces exercise a measure of control over loan and trust companies and have a common interest in seeing that the Dominion does not set up under Dominion charter some favored companies who are exempt from provincial regulations.

BANK LITERATURE A COMING FACTOR IN IMMIGRATION

Financial Facilities Offered Should be Important Attraction

At least three Canadian chartered banks have apparently initiated a programme to interest intending settlers in Canada. The Royal Bank and the Bank of Commerce are advertising in American financial and agricultural magazines, informative of the Dominion and directing the enquiries of probable new-comers to special departments of the Bank. The Union Bank of Canada supplementing its publicity in this connection has issued a bulletin to immigrants, in which the merits of the Canadian banking system and innumerable testimonial letters from American farmers who have come to Canada and prospered are published, to offer incentive for further settlement of the Canadian West.

The direct co-operation of the banks, in this way with the various colonization workers of the railways and the government is significant. It is probably the first time the banks have entered directly into any programme, linking up with the bringing in of the new settlers, and is presumably indicative of the opinion of Canadian bankers that a more aggressive attempt to secure immigrants should be made. It is noticeable that the text of this banking publicity is uniformly directed toward farmer settlers.

The Union Bank of Canada's booklet is directed solely to the farming element, the fore part explaining the relation of Canadian Banks to Canadian farmers, and emphasizing the "great part which has been played by the Canadian banks in developing Canadian agriculture and the marketing of Canadian farm products through their credit system." Stating that the Dominion's banking has been "favourably commented upon by all agricultural countries in the world," the Union Bank bulletin add: "It is a fact that in no section of this continent, have loans to farmers been upon a more favourable basis as to interest rates than in Canada. It has been by reason of the mobility of Canadian banking system, gathering deposits where money accumulates and lending it where most needed that the Canadian banks have been able to accomplish this result."

Banks and Immigration

While the immigration publicity of the banks will be on an extremely conservative scale compared with that put out by the railway organization—it is estimated that the C. P. R's. immigration advertising approximated $1,000,000 last year—it is important as offering a new angle to the advertising which Canada will receive abroad. A railway colonizer with several years personal experience in the northwestern states told The FINANCIAL POST that it would be to the immeasurable benefit of Canada to have the literature of Canadian banks distributed in Iowa, Washington, the Dakotas and the other states from which the Dominion has been drawing agrarian immigrants of recent years. He pointed out that Canada's smallest chartered bank was larger from the viewpoint of resources than the banks these American farmer settlers have been accustomed to do business with, and the fact that the banks of this country under the branch system have found strength behind them would considerably impress the newcomers with the banking system of the country.

Americans who have already settled upon the Canadian prairies have come to realize that the Canadian system is peculiarly adapted to the needs of a young and growing country. Branch banks can be—and invariably are—established in many places where a bank ordinarily would not be profitable or would be so small as not to be of value in developing the business of the community.

Some Cases in Point

The testimonial letters of American farmers which the Union Bank bulletin contains undeniably offer the most interesting propaganda that could have been put out for it tells of innumerable farmers who have come to Canada with small means but a determination to work and make good, and who have prospered beyond their dreams. As an illustration: one man tells of quitting northern Minnesota and having at the time of his migration "an old team of horses, 2 cows, 2 heifers, an old wagon, mower and walking plow and $206." To-day he owns 960 acres, good buildings, horses, cattle and all machinery and "everything paid for." Probably an even more striking example is the testimonial of a man originating from Kansas eight years ago, "arriving here with only twenty dollars and two suit cases." In six years he reports he "was worth six thousand dollars and had a good living all the time."

ARGONAUT GOLD STARTS NEW MILL

Will Separate Copper From Gold Ore—Finances Arranged for Construction

From Our Own Correspondent.

MONTREAL.—Construction of a new mill by Argonaus Gold has been commenced and it is expected this will be ready for operation about the middle of September. The cost of the mill will run about $150,000 and provision has been made for financing the entire cost. The president of the company, J. H. Rainville, K. C., stated to THE FINANCIAL POST this week that when the mill is constructed the whole cost will have been met and the company will have no indebtedness to the banks, but in addition will have a working capital balance on which to continue operations. While the annual statement as at January 31, 1922, showed cash on hand of $8,248, this has been increased by receipts of about $150,000 through the sale of stcok held at that time in the treasury.

The new mill is of a rather unusual type in that it was necessary for the engineers to make provision for separating copepr ore from the gold ore.

MINING STOCK QUOTATIONS
Week Ending May 30

	High	Low	Close	Sales
Adanac	1¼	—	—	5,500
Apex	2⅞	2½	2⅞	14,000
Atlas	22	19½	21	37,100
Bailey	1¾	1½	1½	1,000
Beaver	33	30	32½	11,000
Chamber-Ferlands	4	—	—	500
Coniagas	1.25	—	—	1,200
Cons. Smelters	24⅞	23	24¾	2,720
Crown Reserve	17½	17	17	6,000
Castle Trethewey	25¾	23	23	40,500
Dome Lake	11	9	10	6,000
Dome Mines	29.25	27.85	29.25	2,355
Gifford	24¾	—	—	1,500
Gold Reef	3	2½	2½	33,500
Hattie	16	13	13	16,500
Hollinger	9.68	9.55	9.68	2,513
Hunton	8	7	7	31,500
Keora	10½	9⅞	9⅞	11,500
Kirkland Lake	44	36	36	4,175
La Rose	34½	30	31	9,800
Lake Shore	2.35	2.21	2.28	11,500
McKinley Darragh	29	28	28	5,500
McIntyre	18.15	17.50	18.15	2,195
Mining Corp.	1.03	90	90	1,908
Moneta	12	9	11	24,000
Newray	23	19½	22½	111,000
Nipissing	6.50	6.20	6.50	830
Ophir	2⅜	1½	1½	6,000
Peterson Lake	8	5	7½	10,000
Porcupine Crown	28¼	25½	26	24,000
Porcupine V.N.T.	32	25	27	252,500
Preston E. Dome	7⅞	7½	7½	11,500
Schumacker	65½	56	65	71,000
Teck Hughes	54	46	53½	154,500
Timiskaming	30½	30	30	1,500
Thompson Krist	4½	2¾	4½	4,000
Trethewey	4	3½	3⅝	14,500
West Dome	12	9½	10	38,000
Wasapika	7⅝	6	6½	33,500
West Tree	9	7¼	7½	32,300
Baldwin	5	3½	5	15,000
Boston Creek	30	24¼	26	5,710
Wakenda	6	5	5	12,000

Dominion Textile Company, Limited

Annual Report For the Year Ended March 31, 1922.

LIABILITIES

Capital—Common Stock	$5,000,000.00	
" —Preferred Stock	1,940,600.00	
Bonds—Dom. Textile Co., Limited	6,449,000.00	
" —Dom. Cotton Mills Co.	2,551,000.00	
		$15,940,600.00
Deposits	83,581.59	
Open Accounts (including Reserve for Income Tax)	1,397,681.94	
Allowance—Wages	172,825.00	
" —Interest on Bonds	70,510.00	
" —Preferred Dividend	33,960.50	
TOTAL LIQUID LIABILITIES	$1,758,559.03	1,758,559.03
Reserve—For Pension Fund, Bad Debts and Plant Renewals		2,694,254.70
Profit and Loss Account		5,007,700.57
		$25,401,114.30

ASSETS

Land, Buildings and Machinery		$15,497,654.48
Raw Cotton	$ 290,529.09	
Stock Mfg. and in Process	880,994.19	
Supplies	359,901.70	
Cash and Bills Receivable	1,561,844.82	
Open Accounts	2,552,925.03	
Insurance	135,000.00	
Investments	4,122,264.99	
TOTAL LIQUID ASSETS	$9,903,459.82	9,903,459.82
		$25,401,114.30

Indirect Liabilities Bills Receivable under discount	$33,000.00

H. S. HOLT, Vice-President
F. G. DANIELS, Director.

The President and Directors
DOMINION TEXTILE COMPANY, LIMITED

Gentlemen:—

We certify that we have audited the financial books and records of the DOMINION TEXTILE COMPANY, LIMITED, for the year ended March 31st, 1922, and that we have obtained all the information and explanations required by us.

In our opinion the above Balance Sheet and Relative Profit and Loss Statement are properly drawn up so as to exhibit a true and correct view of the state of the Company's affairs according to the best of our information and the explanations given to us and as shown by the books of the Company.

(Signed) P. S. ROSS & SONS, Chartered Accountants,
Montreal, May 20th, 1922. Auditors.

Profit and Loss Account For Twelve Months Ended March 31st, 1922

Mar. 31st, 1921—Balance at Credit	$4,636,591.63
Mar. 31st, 1922—Manufacturing Profit	1,768,861.57
Mar. 31st 1922—Interest on Investments	138,376.05
	6,543,829.25
Mar. 31st, 1922—Interest and Discount on Bonds, and Rent Account	$ 750,286.68
Reserve for Bad and Doubtful Debts	50,000.00
Dividend—Preferred Stock	135,842.00
" —Common Stock	600,000.00
Balance at Credit	5,007,700.57
	$6,543,829.25

H. S. HOLT, Vice-President
F. G. DANIELS, Director.

Audited and Reported on—
P. S. ROSS & SONS,
Chartered Accountants.

Montreal, May 20th, 1922.

THE FINANCIAL POST

Member of the Audit Bureau of Circulation

President - - - - - - - JOHN BAYNE MACLEAN
Vice-president - - - - - - - HORACE T. HUNTER
Manager - - - - - - - - GORDON RUTLEDGE
Editor - - - - - - - - - - - J. W. TYSON

A weekly newspaper, presenting in a popular manner reliable information respecting investments and financial affairs in Canada.

No paid advertising, other than annual reports or official notices of corporations, will be inserted in the news columns unless marked "Advertisement."

Advertising matter is investigated before publication, and none of known questionable character is accepted. Acceptance of advertising will not deter the editorial department from making such comments as the situation may suggest.

No material from news bureau sources submitted for editorial purposes will be published, and no such bureau or individual should be paid any consideration or given any credit for the insertion or inspiration of any item.

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The detailed circulation statement we submit is not our own claim, but the sworn finding of the Audit Bureau of Circulations, the recognized independent authority. THE FINANCIAL POST is the only Canadian financial paper submitting its circulation to the A. B. C. inspection.

THE FINANCIAL POST HAS THE LARGEST PAID CIRCULATION OF ANY CANADIAN FINANCIAL PAPER.

TORONTO, JUNE 2, 1922.

MORE TAXATION TINKERING

WHILE THE business, industrial and financial community throughout Canada is inclined to take on the added burdens of the federal budget with fortitude because of the recognition that the needs for revenue are great and must be met, the very sound objections being lodged against various obviously ill-conceived proposals again emphasise the weakness of the present political method of levying taxes.

THE FINANCIAL POST has frequently urged that the tariff and other taxes be framed by a commission of experts representing agriculture, manufacturing and labor. These experts should be appointed with similar powers to the railway commissioners in conducting hearings and they should constantly study industrial and commercial conditions bearing on international trade relations and the tariff. They should advise the Minister of Finance as to the best methods to raise the required funds. If this course were followed such impracticable, unworkable and unsound proposals as have been contained in budgets in recent years—proposals which in many cases have been withdrawn or amended when expert advice has been offered or secured—would never have been brought down to add to the worries of a harassed business and financial community.

That the revision of tariff laws, "considered as an important political question, should be discussed and decided strictly upon scientific principles and from the standpoint of fairness to every part of the country, to every department of human industry, to every line of employment and to the public welfare" is the conviction of Judge Elbert H. Gray, head of the United States Steel Corporation, expressed before the American Iron and Steel Institute last week. This indicates what big business thinks of the idea of putting the tariff in the hands of experts and out of the hands of politicians.

Likewise farmers who are not misled by political prejudices come to the same conclusion. One of the soundest interpreters of agricultural opinion in western Canada is C. W. Peterson, president and editor of the Farm and Ranch Review, Calgary. Mr. Peterson has for years taken the position "that as no political party in Canada is prepared to endorse a policy of free trade, tariff questions should be handled by a commission of expert advisers whose views the government of the day could only ignore or over-ride after explanations on the floor of parliament." According to The Review this opinion is shared completely by so well-known an authority on political questions as Prof. Ottewell of the University of Alberta who favors "a corps of salaried, highly trained, and competent experts whose interests would not be favored by either free trade or protection." These men find it hard to comprehend the "opposition of the Progressive party to such an obvious and sensible safeguard."

If the movement for a tariff commission to work along practical lines, finds the endorsation of farmers, economists and business men, who but the politicians oppose it?

GENOA ANOTHER BUNKER HILL

PRACTICALLY all Americans and nearly all Canadians and Old Countrymen believe that the British were defeated by the rebels at the battle of Bunker Hill, the opening fight of the Revolutionary War. The truth is that the Yankee rebels were completely defeated and would have been completely wiped out but for the generosity of the officer commanding the British troops, who forbade his men firing on them beyond the few shots necessary to thoroughly frighten them. But the propagandists of those days spread the story so thoroughly that it appears in the average American history as "a great victory for the patriots." Reliable historians, however, tell the truth. Even the great soldier, Lord Wolseley went to visit Boston to see the scene of the battle where "raw colonists thrashed trained British soldiers." He was amazed when his host, a truthful man, told him that it was the Americans, not the British, who were defeated on that occasion. But the propagandists fooled the world.

When the propagandists of Revolutionary days were asked for proofs they explained that while it was true they met with a physical defeat, yet it was a great moral victory.

A similar incident happened in the history of Canada not so many years ago. It was in the days when the Toronto *Globe* was the great Liberal organ. The Liberal Party was overwhelmingly defeated in a Dominion election but for days and weeks and months the *Globe* proclaimed a great moral victory. It was the big national joke of the period.

So with the Genoa Conference. The main object of the promoters of this conference,—a group of internationalists of whom Lloyd George has been the mouthpiece—was to aid Germany and Russia. It is admittedly a real failure but Lloyd George is, as usual, claiming a great moral victory.

Once more THE POST'S sources of international information have proved reliable. On January 27th we published.

"THE POST has been suspicious of the Genoa Economic Conference from the time it was announced that Russian Agents would have seats there. We are now confident that the main object of the Conference is to aid the Lenine-Trotzky policies. Soviet secret agents have been extraordinarily active in the last two weeks in Canadian political and press circles to ensure our representation, and therefore the formal recognition of Russia. They are showing the trade possibilities—the big sums we will lose by not taking part."

SHORT-SIGHTED TAXATION

IT LOOKS as if the proposed stamp tax on cheques will, when put into operation, be apt to defeat its object, which is increase of revenue, and it is possible that it is not intended to seriously advocate its retention in the budget in its present shape at least. The great difficulty is that by exacting such a tax the government is really putting a premium on the discovery of workable schemes to get around it, and in such cases if the reward is high enough the scheme will usually be forthcoming.

There was once a governor who thought that all he had to do to raise money was to make the taxes high enough, but in practise he soon found that the higher the tax the less there was to collect. As he was experimenting in a somewhat cruder age his methods of trying to collect were strenuous, but the money did not come in as the business which was to yield it failed to materialize.

The Finance Minister has no easy task to make income and expenditures balance, but in looking for sources of revenue he seems, in this particular at least, to be trying to get his revenue in what looks like the easiest place instead of trying to distribute the burden of taxation fairly.

It has been suggested that this stamp tax, which is not to come into effect for a month, was purposely made high enough to leave room for concessions to popular opinion. At any rate everyone likely to be affected will have plenty of time to figure out its affect on his own business by an analysis of past records.

POLITICS AND THE RAILROAD MUDDLE

THE *WINNIPEG Free Press* takes exception to the argument of a correspondent of this journal with respect to what railways might be classified as public or private in Canada. The question arises in connection with the Canadian Northern and Grand Trunk Pacific, the failure of which has been attributed to corporate ownership. Our correspondent took the ground that these roads could not properly be regarded as private concerns, and he gave his reasons. They were strong and cogent reasons or such reasons as would be apt to appeal to sound business judgment.

There has been no pretence, nor could there be, that these railways were not of the corporate class. But that classification rests upon such a weak foundation as to suggest a clear misuse of terms in so referring to them. It is not the label which counts so much as the underlying facts.

Politics played a part in the Canadian Northern and Grand Trunk Pacific, a very big part. The politicians turned up at every angle. The Canadian Northern, in particular, and the Grand Trunk Pacific Branch Lines in lesser degree, had more to do with winning elections than in serving the transportation needs of the west. If political expediency had been eliminated, at least six thousand miles of railway in the prairie provinces would never have been built; and it happens that those six thousand miles represent pretty definitely the measure of over-building in the west. The politicians got the guarantees from the government to secure their own ends, that is largely why we have our acute railway problem to-day.

The *Manitoba Free Press* may argue as it will, but it cannot by that process get rid of the stern facts about these two railways. They were largely political roads, although carrying on their operations as private roads. Therefore, it is entirely misleading, as our Ottawa correspondent has aptly pointed out, to speak of their failure as the failure of private ownership. Of the failure there can be no doubt, but it was the failure of political interests masked behind a mere label.

EDITORIAL NOTES

MEMBERS OF the Ontario Legislature are to receive a bonus of $600 each above the annual indemnity. This could be fittingly charged up to "over time" and the bill sent to the obstructionists.

* * * *

WE ARE INFORMED by the Toronto *Globe* that "Sir Adam Beck makes onslaught on critics of Hydro." As Hugh Wiley would put it, Sir Adam Beck is one of the most onslaughtingist men what is.

* * * *

IN OLD STAMBOUL the beggars have formed a trade union with the object of fixing a minimum rate of alms. This idea of a trade union to maintain the standard wage for those who do nothing may possibly have been suggested by the extremist union leaders in this country who would curtail the output of labor for the current wage.

* * * *

THE ELECTION of Hon. P. C. Larkin to the honorary chairmanship of the British Canadian Chamber of Commerce and his immediate association with the agents of the various provincial governments is indicative of the direct methods of a business man to secure for Canada a bigger share in British business.

* * * *

"YOUR HOUSE IS ON FIRE" is the effective title under which an appeal is made by the Canadian Forestry Magazine to the Canadian people as "the greatest forest owners in the world," to safeguard their heritage of almost 85 per cent. of the national forest area from the ravages of fire and to stipulate that where timber is removed adequate arrangements be made for reforestation.

* * * *

WHEN THE Toronto Telegram is criticising the appointment of Engineer Ross to the Chippawa commission because he has been prominent in Montreal civic affairs and is a "special favorite of Lord Atholstan" it should not forget that Mr. Ross has also been consulting engineer to the Hydro Electric Commission. But we believe that, despite the fact that Mr. Ross is in effect an employee of the Hydro, he will exercise that sound judgment on the commission which in forty years has made him an outstanding authority in his field.

* * * *

THE ATTITUDE of the public press throughout the country is no doubt reflected in the observation of the Toronto Globe that the Merchants Bank affair indicates that "if individuals are not specially culpable it follows that there is something wrong with the law. The inspection and audit were clearly without value. Bankers are opposed to government inspection but they must surely see that some kind of effective inspection is required." With the people so thinking, political tinkerers will be encouraged to attempt such radical changes in the Bank Act as will prove a menace to industrial and commercial interests and the welfare of the whole community.

* * * *

THERE IS NO REASON whatever for alarm or for any stampede among buyers of coal, says the N. Y. Journal of Commerce. Nothing ought to be said or done which would lead the public to suppose that there is. On the other hand, reason enough exists for doubt whether the present policy of do-nothing-ism in regard to a settlement of the strike is justifiable. The passing of the weeks only reveals a greater obstinacy and tactlessness on the part both recalcitrant labor and reactionary employers. Sooner or later industry and trade will inevitably begin to suffer. The time for action to prevent such a development and teach the employers as well as the men

Chippawa a Great Conception But Monument To Economic Folly

California Expert Says Ontario Would Have Been Better With Private Development Under Proper Government Control

A public ownership scheme for the development of electric power in California is being considered and the people are being asked to vote on a $500,000,000 power bill. The project is so similar to the Hydro-Electric Commission enterprise in Ontario that a comparison of power and other conditions in this province and the Pacific state has been made after personal investigation by Robert Sibley, editor of the Journal of Electricity and Western Industry, San Francisco...The following is in part the conclusions reached by Mr. Sibley—conclusions which should be of vital interest to power users and taxpayers throughout Canada as well as in Ontario. The journal which Mr. Sibley edits sets forth in its declaration of policy that it "serves no special interests but is devoted to the upbuilding and development of natural resources along sound economic lines." It is a policy such as has encouraged THE FINANCIAL POST to consistently direct attention to the economic truths regarding Sir Adam Beck's undertakings and ambitions.—Editor.

In discussing the physical aspects of the development of hydro-electric power from Niagara and its distribution in the Province of Ontario it is of primary importance to consider the condition which led to the formation of the Hydro Electric Power Commission in that Province. Previous to this time, some twenty years ago, the distribution of electrical energy was carried on with such inefficiency, such high rates, poor service and general disregard for the rights of the consumers that in response to a popular demand for relief from this high-handed procedure, after many gatherings of various public bodies had been held, the Provincial Government was asked by the municipalities interested, for authority to undertake the development, transmission and distribution of electrical power.

An Opportunity Overlooked

Instead of meeting the unpleasant situation of twenty years ago by the inauguration of government ownership and its attendant evils, the leaders of thought in Ontario, Canada, might have taken the other course,—the stimulation of private initiative in agriculture and industry as has been done in California by placing these great projects under rigid public regulation with reasonable rewards held out for further development. Had this been done, the present day developments in Ontario, Canada—industrially, commercially and agriculturally—should have far exceeded their present proportions, for Ontario is blessed with fertile soil, with the world's greatest source of possibilities for cheap water power development and ease in power transmission. Also, it is important to note that the neighboring province of Quebec, where cheap water is not nearly so available, has completely outdistanced Ontario in all fields of economic development. Or, again in comparison with the development that has taken place on the American side, even though steam auxiliaries have been constructed there at great expense to assist hydro-electric service in the New York territory, Ontario might under properly directed and regulated private initiative have accomplished far more than it has.

Some Results in Ontario

This type of thinking in Ontario which is the result of government ownership has resulted in the belief that all related industries, such as electrical manufacturing and the preparation of semi-raw materials necessary in construction, should be owned and conducted as government and municipal enterprises. This would directly discourage private initiative or inventive genius in the electrical industry which in but a single generation has undergone such gigantic changes that apparently only a mere beginning in accomplishment has been effected to date. California, on the other hand, has by encouragement of individual initiative and private enterprise, harnessed its water powers and spanned its deserts and mountain gorges with energy-bearing power lines, developing that state industrially and agriculturally in spite of these difficulties to a degree that dazzles the imagination.

Although the progress of growth of the Hydro Electric Power Commission activities is described by its proponents as being phenomenal, those of us familiar with the vast decade of hydro-electric construction that has been completed in California see little in those accomplishments to fire the imagination. The facts are that, while from 1910 to 1920 the Hydro Electric Power Commission of Ontario actually constructed and put into operation something under sixty thousand new developed horsepower with a total announced building program of only 500,000 additional horsepower, those having in charge the inter-connected system of California have built and put into service over 800,000 new developed horsepower and have let major contracts involving an additional million and three-quarters horsepower for the next ten years' period.

Systems Already Built

The major portion of the Hydro Electric Power Commission's activities in the Province of Ontario seem, on the other hand, to have been voted to taking over systems already built, and the statement of its growth including these activities is as follows:

Year %	Municipalities	Townships	Consumers	Load in Hp.
1910 .	10			750
1911 .	26			15,214
1912 .	36		34,967	31,019
1913 .	51	7	65,689	45,502
1914 .	82	12	96,844	76,977
1915 .	112	18	120,828	103,959
1916 .	166	25	148,732	167,661
1917 .	179	34	170,916	333,399
1918 .	193	41	183,987	316,592
1919 .	208	42	216,086	328,175
1920 .	217	43	244,388	355,798
1921 .	232	44	......	......

Although Ontario is approximately twice the area of California these two states are comparable in that at the time of the formation of the Hydro Electric Power Commission, Ontario equaled California in population, agriculture and industry. When we consider that Ontario had available the largest single source of easily developed power at her very door, and that the development of energy in California is attended with the greatest engineering difficulties, the growth of California is nothing short of phenomenal.

In its leading editorial comment of December 31st, Electrical World, the leading electrical authority in America, had the following to say, under the caption "Ontario Overshoots the Mark:"

"This week water was let into the canal of the largest hydro-electric development in Canada, the Chippawa-Queenston station of the Hydro Electric Power Commission of Ontario. Wonderful in conception, bold in engineering execution and mammoth in the size of its units, the installation stands as a monument to the vision and skill of that enthusiastic Cadanian, Sir Adam Beck. But because of untoward circumstances it also stands a monument to economic folly. The Hydro Electric Commission of Ontario was able to purchase 100,000 hp. from a privately owned utility, the Ontario Power Company, for $9 a horsepower-year, and on the strength of that built up the immense network extending a thousand miles in all directions, from Niagara Falls to Toronto on the north, and to Windsor, opposite Detroit, on the west. Despite the fact that its turbines at Queenston operate under a head of 100 feet greater than that available at Niagara Falls, and thus generate one-third more energy for the same amount of water, the Hydro Electric Power Commission of Ontario cannot manufacture at Queenston, much less sell, a horsepower year of electrical energy for twice the amount it paid to the Ontario Power Company when the company was privately owned and operated. Thus has the Hydro Electric Power Commission of Ontario, lured on by ambition, fallen into a pit of its own digging."

Nashua Mills, Nashua, N.H., closed by strike for three months, announce that business conditions are such that they will reopen as soon as they can secure enough employees.

Just a Few Kind Words

Of the three readers of THE FINANCIAL POST who recently inquired regarding the investment of $10,000, the Nova Scotia doctor who had an endowment policy for that amount coming due in the near future and sought advice as to how best to use it to advantage, has written to "thank you most heartily for the trouble you have taken to have the question answered intelligently by experts in the line of investments."

A summary of the opinions from various investment houses was published in THE POST and full particulars communicated to inquirer. He says: "I read carefully every word of the answers from the various brokers and I was pleased to note that these authorities without exception approved of the list of securities now held by me."

After explaining that he had made his investment in accordance with certain of the suggestions made he continues: "I note a good many suggested provincial or city bonds. My reason for prefering Victory bonds to these was the fact that the latter were free from income tax of which tax I am now paying all I want to, though I presume we pay the tax on all common stocks indirectly, but we all prefer this to a direct levy."

Concluding he observes. "I also want to say as a new subscriber that I am very much pleased with THE POST and consider it simply invaluable to the investor."

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Vol. I. [illegible] 1921 Vol II. [illegible]

Municipal Bookkeeping and Auditing

By O. J. Godfrey, F.C.A.

Vol. I.—Rural Municipalities, Telephone Companies, Schools, Hospitals, &c.
Vol. II.—Complete System of Municipal Accounting, Instalment Debentures, Annuity Debentures, Sinking Fund, &c., &c.

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PERSONALS

THOMAS F. HOW, general manager of the Bank of Toronto, who was elected a director of the bank at a recent meeting of the Board of Directors, has spent his entire business life in the employ of the bank, entering the local branch as a junior in 1877. He has successively held managerships at Gananoque, Brockville and London, and was also manager of the Montreal Branch from 1894 to 1911, when he was appointed to his present position.

J. F. MACDONNELL, for some years a trust officer at the Toronto office of the National Trust Company, has been appointed manager at Montreal. Mr. Macdonnell entered the service of the company in 1911. He is a graduate of Queen's University and of Oxford where he went as a Rhodes scholar. He served with distinction overseas receiving a military cross and gaining the rank of Brigade Major. During the past three years he has been successfully secretary and president of the Canadian Club of Toronto.

CURRENT OPINION

IS THIS THE END?

Toronto Globe

Is the investigation into the wreck of the Merchants' Bank to end with the acquittal of Mr. Macarow? Public opinion will not be satisfied with any such conclusion. If Mr. Macarow was not responsible, who was? If no particular blame attaches to any individual, what is to be said of the system under which losses of many millions were concealed from the Minister of Finance, and a bank supposed to be solvent was found to be a wreck? A brief examination by a chartered accountant disclosed a method of doing business which ought to have been discovered and checked long ago.

If individuals are not specially culpable it follows that there is something wrong with the law. The inspection and auditing were clearly without value. Bankers are opposed to Government inspection, but they must surely see that some kind of effective inspection is required. Some further investigation is also called for. Criminal proceedings are framed, not to throw light upon the whole case, but to establish the guilt or innocence of some individual. There is need for an investigation covering a wider range, the working of the law and the efficacy of the law. Out of such an investigation might arise some suggestion for preventing such disasters in the future. To let the whole matter drop, as if a village store business had lost a few thousand dollars, would be to show an astounding apathy as to the conduct of business whose transactions run up into billions.

We Offer

$258,478.80

City of St. Thomas

6% Coupon Bonds

Principal and half-yearly interest payable at the office of the City Treasurer, St. Thomas, Ont. Bonds may be registered as to principal.

Financial Statement

Assessed Value for Taxation, 1921.......$14,631,138
Net Debenture Debt 607,170
Value of Municipality's Assets 2,544,424
Population—17,892. Area—1,500 acres.

Schedule of Maturities

Denominations, $1,000, and odd amounts.

Due May 10.				
1923	$8,000	$631.60	$4,000	$367.72
1924	9,000	149.49	4,000	629.77
1925	9,000	......	4,000	907.56
1926	10,000	280.38	5,000	......
1927	10,000	897.19	1,000	514.14
1928	11,000	......	5,000	844.98
1929	8,000	......	6,000	......
1930	12,000	978.74	1,000	567.42
1931	13,000	......	6,000	961.47
1932	14,000	582.91	5,000	379.16
1933	15,000	457.88	.....	......
1934	......	385.36	.....	......
1935	......	368.48	.....	......
1936	......	410.59	.....	......
1937	......	515.22	.....	......

St. Thomas is a progressive and prosperous city situated in one of the richest agricultural districts of the Province of Ontario. It is an important railway and industrial centre.

Maturities 1923-30: Price Rate to Yield 5.40%
Maturities 1931-37: Price Rate to Yield 5.35%

The Bonds are ready for immediate delivery.

A. E. AMES & CO.

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Established 1889

INVESTORS' INQUIRIES

Information under this head is given in answer to direct requests from investors who are readers of THE FINANCIAL POST. Only questions respecting securities are answered by mail direct. We would remind correspondents that it is now necessary to enclose 3 cents in postage stamps to cover postage on answers direct.

TWENTY-FIVE DOLLAR BILL

Subscriber, Ruddell.—Would be obliged if you could advise me if the defunct Farmers Bank of Canada issued a $25 bill.

We are informed by G. T. Clarkson, liquidator of the defunct Farmers Bank, that Farmers Bank issued a $25 bill which came out in 1911.

F. N. BURT

H. W., Jamaica.—I should appreciate your opinion on the common shares of F. N. Burt & Company. Do you consider them a business man's investment?

Our opinion of the common shares of the F. N. Burt & Company would be just what you have described them—a good business man's investment. The company has a good dividend record and is not only one of the best managed Canadian industrial enterprises, but for some forty years has been a leader in its field and seems likely to be able to maintain that reputation.

KIRK GOLD MINES

Reader, St., Catharines.—Will you kindly send me any information you may have as to the advisability of purchasing stock in the Kirk Gold Mines?

During the past two and a half years the Kirk Lake Gold Mines Company have been developing three properties, the Bass Lake, Havilah and their Kirkland Lake holdings. There has been a considerable amount of work carried out and the ore uncovered is said to be of good grade. But in view of the small mill and the resulting small return, we consider the purchase of the company's stock at the present time to be a pure speculation.

CUBAN-CANADIAN SUGAR

X.Y.Z., Newmarket.—Is Cuban-Canadian Sugar Co. preferred worth holding?

We think it would be advisable for you to hold your stock for some time. As you know, nearly every sugar company in Canada and the United States was hit hard by the slump in the price of raw and refined sugar, and the industry, after the heavy blow it received from its former inflated condition, has been very slow in recovering. No one at the present time is in a position to tell to what extent this company or others will have a profitable season, but the best judgment of those in touch with the industry is in favor of better conditions arriving in a reasonable time. When these come Cuban-Canadian will receive its benefit and the price of the security you hold should begin to improve.

EDMONTON BONDS

Reader, Fergus.—Would you advise trading 1922 or 1933 Victory bond for City of Edmonton bond? I understand that the province of Alberta guarantees the Edmonton bonds. Would you advise trading 1,000 1933 Victory bonds for 1,000 Windsor due 1929 or 1932?

Your suggestion to sell 1933 Victory bonds at 5½ per cent. and buy City of Edmonton bonds to yield 5.75 per cent. is a good one. This city is now back on a sound basis and there is no reason why its bonds should not prove safe. The advantage you would be gaining would be not only the additional interest but a 30 year bond instead of one due in only eleven years. Edmonton bonds are not guaranteed by the Province of Alberta nor are any municipal bonds in that province so guaranteed. The suggested trade of Victory bonds for Windsor bonds due 1922 or 1932 is not so good. This is not because of any weakness in City of Windsor bonds but because the term is shorter. It is always well to seek a longer term in making investment trades at a time when interest rates have a tendency to decline, as at present.

MATTAGAMI DEBENTURE STOCK

Subscriber, Newmarket.—What value is behind Mattagami debenture stock?

So far as we can reach a conclusion there seems to be value behind the debenture stock of the Mattagami Pulp and Paper Co., equal to the amount oustanding, $2,000,000. This, as you know, ranks next to a bond issue of about $1,800,000 which has a first mortgage lien on the fixed assets of the company. This company was handicapped for some time by lack of first class management, and at the present time production depends on the state of the pulp market. This, unfortunately, has remained rather weak for a year or more owing to the large imports of Scandinavian pulp but pulp manufacturers are looking for an improvement in the near future. The mills of the Mattagami Company are operating off and on as business offers. In speaking of values, of course, a forced sale would not be favorable to any industry, but those who now are looking after the property in the interest of the two groups of bond holders have no idea that this would be necessary at any time. It seems certain that some financing will be required in the near future to provide working capital.

KING EDWARD HOTEL

C. T., Havana.—I am the holder of 10 shares of King Edward Hotel Construction preferred, and 3 shares of common. The preferred I purchased at par, the common being given as a bonus. The preferred has paid dividends of 8 per cent. for a year now, and the common 10 per cent. for the past 7 or 8 months. Will you kindly give me your opinion as to why the preferred is listed at around $69 and the common at $60, with apparently no sales? Would you deem it wise to purchase more of the preferred stock?

In purchasing King Edward Hotel preferred stock at par with a bonus of common stock you paid $1,000 for ten shares of preferred with three shares of common. At 69 for the preferred and 60 for the common your investment would be worth $870. This decline is not a matter for great surprise in view of the circumstances. The hotel business has undoubtedly been affected by the general commercial and business depression. Hotel securities must aways be regarded as at least moderately speculative. Then again there is here rather a narrow market for securities of this class. The stock should only have been secured with these specuative features appreciated and in that case this would not seem to be the time to sell.

We would hardly advise you, however, to make a further investment in these securities in view of what you say about a desire to have your money as safe as possible. If safety is an important consideration we think you would find bonds or the most conservative preferred stocks preferable.

Quotations have advanced since the above was written.

INVESTMENT OF £3,000

D. P., Vancouver.—I have about £3,000 in a bank in England. What do you think the best course I could adopt to be sure of a certain income and safe investment? It looks to me, although I know nothing about shares, stocks or investment, whether it would not be well to buy C.P.R. shares in London, or here, taking into consideration the loss in exchange. Could you advise me?

Your problem is not an easy one to solve, as factors which you have not touched upon in your letter might easily alter the recommendations one could make.

You have undoubtedly shown commendable wisdom in refusing to be stampeded into placing your money in securities of doubtful value, or even of semi-speculative nature. In your position you can afford to invest only in securities of the soundest nature, where there is no reasonable question of the safety of your money.

If you were to bring this sum of money from England at the present time you would lose about $1,200 due to the discount on the pound sterling. For that reason you would be wise to leave the money in England for another year or two, until sterling exchange has had an opportunity to demonstrate whether or not it will return to normal soon. You should have your bankers in England or a reputable Canadian investment house with a London, England, office, invest the £3,000 in a good Canadian security payable in London, England, only. Buy only a government or municipal bond or the equivalent. There are, for instance, a number of stocks of the Canadian Northern Railway and its subsidiaries, guaranteed by the Dominion of Canada, which would make excellent investments for your purpose. You might leave it for your English bankers to exercise their discretion in the choice of the particular security, specifying, of course, that only a security of this type be chosen. You would get a yield of about 5½ per cent.

By doing this you would lose only the discount on the interest coupons as the money was forwarded to you by your bank in England, instead of on the whole amount of the principal or if you do not immediately require the interest income from your money the interest could be re-deposited in England to be brought out with the principal when exchange rates are nearer par.

As you are 70 years of age now, and have no one to consider but yourself and your wife, we would advise you to purchase a Dominion Government annuity payable to yourself or to your wife if she survives you, and guaranteed for life when you finally bring your money to Canada. T. C. Bastedo, in charge of the annuities branch of the Post Office Department at Ottawa, will be able to give you complete information and you will find that you can purchase a substantial assured income for life with your $15,000.

MERCURY MILLS

Inquirer, Fergus.—What is your opinion of Mercury Mills 6½% first mortgage 20-yr. sinking fund bonds? Would you consider this bond a good investment? Would you advise trading in 1933 Victory bond at 103 for this?

Are you not somewhat confused regarding shares and bonds? Mercury Mills, for instance, has both shares and bonds outstanding but of course, the bonds rank higher, as they are a first obligation on the assets and earnings of the company, we would consider Mercury Mills bonds a good investment. As a general rule we would not advise any investor to sell Victory bonds to buy industrial bonds, but if you have 1922 Victory bonds maturing this year or will have any funds for investment shortly this bond would be a good purchase.

CANADIAN CEREAL

Reader, Nokomis.—Shall be glad if you will advise the present position of the Canadian Cereal and Flour Mills.

The Canadian Cereal & Flour Mills, Ltd., went into liquidation last August. Since then the majority of the mills, as outlined below have been sold. The first debts to be met will be the claims of the banks. Bondholders will recive a 50 per cent. payment of interest and return of capital before the first of July, 1922.

The following mills have been sold; Stratford, Galt, Lindsay and warehouses at Toronto, St. John, Granton, Ont., Dublin, Newton, Newberry and Glencoe.

Mills yet to be sold; Ayr, Tillsonburg and Embro and a small warehouse at Wolverton.

The prospects for the common shareholders are anything but bright.

DULUTH SUPERIOR

H.G., Ottawa.—Would like your opinion regarding the Duluth-Superior Traction.

The present situation regarding the Duluth-Superior Traction is that the Railway Board of the State of Minnesota is making a valuation of the company's properties with a view to establishing a scale of fares that will be fair to the company and to the holders of the securities. Until this decision is reached it is difficult to definitely establish a fair valuation of the company's stock. Under the circumstances, however, it would seem to us that it would be more satisfactory to await developments than to dispose of the shares you hold at this time. There has been a tendency of late to give somewhat more favorable treatment to public service corporations in the matter of charges so that they may secure an income which will warrant the investment of capital. On the other hand where politics enter into the situation there is a danger that the interest of the corporation as well as the interest of the public as a whole may suffer if there seems to be a chance of obtaining votes that way.

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Why Should The Farmers Have Special Banking Facilities?

The Farmer Thinks His Overhead Costs Too High And Net Returns Too Low—Some of the Reasons Why He Thinks So

By AGNES C. LAUT.

Following is the second of three articles written by Miss Laut which explains from the standpoint of the man on the land the agitation for better banking facilities for the agriculturalist. THE FINANCIAL POST prints these articles not with the idea that the contentions of those who would experiment with our banking system are sound or justified but to show to the financial community the roots of dissatisfaction from which the agitation for increased farm banking facilities is growing—an agitation which, in view of the strong agricultural representation at Ottawa, must be considered in relation to the periodical revision of the Canadian Bank Act next year.—Editor.

Before going on with the details of the Federal Bank System in the United States, I want to take up our Canadian attitude of mind, on this whole subject. It is largely that attitude of mind, that reacts in a hostile attitude of mind on the part of the farmer, which is behind the urge for unsound banking legislation.

The farmer complains of too high overhead costs and too low net returns for his labor. Suppose the farmer had low-priced implements, lower freights, fewer middlemen between what he produces and the market, would he, then, be on a parity with the rest of the business world in chances for success?

He would not. He would not because he has not the same credit facilities. Let me give an example of this. "I think the farmers are clean plumb crazy in their demands just now," said a Montreal wholesaler to me. This man has had to close half his agencies in Western cities because of the paralyzed buying power of the Western farm communities. "Why should they demand special credit facilities? They are crazy— simply crazy—drunk with political power in five provinces out of nine."

Now, I happen to know this man's financial bank standing, though he did not know that I knew it. The bank extended him a credit every six months of from $250,000 to $300,000 to carry on his business. It has been doing so for eight years. The business is just barely carrying itself. The bank dare not let it collapse for fear of a total loss. If and when good times return, the indebtedness will be paid off. Meantime, as head of that business, the speaker draws a salary of $6,000 to $8,000 a year, which is ample to keep himself and his family and put away a margin for a rainy day.

When a farmer enters a similar period of doldrums, he can't pay himself a salary before he pays his indebtedness. Interest claims are a first lien on live stock and crops. What is left over, he has to live on; and when there is not anything left over—as was the case with 90% of

(Continued on page 15)

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Ottawa Light, Heat & Power Co. 8's, Oct. 1, 1940
Bell Telephone Company of Canada 5's, April 1, 1925
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Maritime Telegraph & Telephone Co. 7's, Dec. 1, 1945

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THE FINANCIAL POST

UNLISTED SECURITIES

	Bid	Asked
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Algoma Steel 5s 1962.. ..	54	....
Alta. Pacific Grain com..	102	112½
Do pref	86	90
Ashdown Hard. 5s 1928....	86	....
Can. Oil com	48	51¾
Can. Westinghouse	112	....
Cockshutt Plow pref. ..	48	....
Colling. Ship Bld com..	35	42
Do 6s	91½	....
Davies, Wm. 6s	100	....
Cuban Can. Sugar pref ..	16	17
D. Iron & Steel 5s 1939..	76	....
Dom. Power com.	23	24½
Dunlop Tire 6s	90	....
Eastern Car 6s	88	92
Famous Players pref. ..	47	51½
Great West Life	202	....
Gunns Ltd pfd	64	66½
Home Bank	....	100
How. Smith P. 7s 1941..	93	95
Imperial Oil	123	128
King Edward Hotel com..	70	....
L. Superior Paper 6s ...	93	....
Lambton Golf	390	425
Manufacturing Life	38	....
Massey-Harris	48	52
Mattagami debs.	33	....
Murray-Kay pref.	56	60
National Life	40	....
N.S. Steel 6 p.c. debs...	75	....
Neilson, Wm. 6s	90	....
Ontario Pulp 6s	95½	....
Robt. Simpson pref. ...	82½	....
Spanish River 8s 1941 ..	100	101½
Toronto Power 5s 1924 ..	94½	96
Trust and Guarantee ...	71	....
Amer. Salesbook 6s	99	....
English Electric com. ..	23	25
Do pref	96	100
Western Assurance ..	4½	5½
Western Power 5s	76½	....
Whalen Pulp com.	....	10
Do pref	31	....
K. E. Hotel Cons pref...	69	73
Peoples' Loan	67	....
Inter. Petroleum	27	28
K. & S. Tire bonds	....	80
Mutual Oil	9½	10½
Ralph Clark Stone com..	18	24

At a meeting of iron and steel men one of the speakers called attention to the fact that steel plates are now rolled several hundred feet in area and several inches thick, and that steel girders are made of such a size as to justify the belief that a bridge connecting England and France could be built over the Channel in half-mile spans.

NEWS OF THE BOND MARKET

CANADIAN BONDS HAVE TO BE GOOD TO BE WELCOMED

Some Straight Comments on Wall Street's Critical Attitude

From Our Own Correspondent.

NEW YORK.—Although somewhat surprised by the decisions of Manitoba and British Columbia to reject the bids received from New York for the two bond issues which the provinces planned to float in this market, Canadian bankers in touch with the bond market were inclined to shrug their shoulders and say, "I told you so." For, as it is being pointed out in financial circles here, the treasurers of a number of the Canadian provinces, seem to ignore the fact that American investors and American investment bankers have within the past six months become distinctly critical in regard to the financial policies of several of the Canadian provinces. While at all times ready, and in fact eager to buy Canadian securities, the more careful investors do discriminate. Some Canadian securities they regard more highly than they do others. Thus for instance, they regard Province of Quebec bonds more highly than they do those of Manitoba. This opinion they appear to base largely upon the belief that the financial policies of the Quebec government on the whole are fundamentally sounder than those of the Western province. And for much the same reason much criticism has been heard by Canadians of the Ontario provincial issues on account of the public ownership tendencies of the provincial government.

The truth is in brief, that American bankers and investors having followed up their increased buying of Canadian issues by a more intensive study of Canadian financial and economic conditions are no longer in the mood to accept any Canadian issue as gilt edged without a proper investigation of the conditions under which it was issued, the purposes for which the proceeds of the issue are to be used, and the general soundness of the financial policy of the municipality, province or corporation involved. And this general attitude has not been rendered any less justifiable by the conditions which investigation has revealed in some Western Canadian provinces and municipalities. These conditions are as well known nowadays to well informed American investment bankers as they are to Canadian bond dealers.

Half of Loan Left

This increasingly critical attitude toward Canadian flotations, as was pointed out in THE FINANCIAL POST at the time, was recently voiced by the Wall Street Journal in commenting upon the report that the Dominion Government planned to float a large loan in the New York market. This newspaper made it quite clear at that time that the influential American investment bankers regarded with disapproval the railroad policy of the Dominion Government and were greatly influenced in their attitude toward Canadian Government issues by their feelings in regard to all public ownership projects.

Mr. Fielding apparently ignored this carefully worded statement of Wall Street opinion, as one Canadian banker pointed out to your correspondent, floated a Dominion $100,000,000 five and a half per cent. issue and obtained what result? In spite of the strength of the underwriting syndicate, in spite of the fact that J. P. Morgan & Co. headed this syndicate, fifty per cent. of the loan has been left on the hands of the underwriters. While this outcome was undoubtedly partly the result of the condition of the American bond market at the time the loan was floated, it was unquestionably partly the result of the feeling on the part of American investors that the character of the bond offered was not such as justified such a low yield as was given them.

And, as the foreign bond statistician of one of the largest banks on Wall Street, a bank which incidentally participated very heavily in the flotation of the recent Dominion loan, said to your correspondent in commenting upon the decision of the British Columbia and Manitoba governments to refuse the bids referred to above, if this is the attitude of the American investor and investment banker toward Dominion of Canada bonds, can one expect better treatment for the bonds of the western Canadian provinces? For, he pointed out, it was until quite recently the fixed policy of his own institution not to buy the bonds of any Western Canadian province or municipality under any circumstances. This policy had been dropped during the closing years of the war upon the broadening of his bank's policy in regard to the character of the securities it could afford to handle through its bond department.

"Canadians," this banker said, "must not think that American investors will buy Canadian securities merely because they are Canadian. They may have a tendency to do this when investors were not inclined to be so discriminating as they are today. But to-day Canadian bonds must stand on their merits and meet the competition in this market of the gilt edged securities of the whole world. They will be judged by the standards used by bond dealers and bankers all over the world and it is certainly up to the Canadian governments to see to it that both their financial policies and their bonds are such as will permit them to be judged by these standards."

Investment Stories From Real Life

How Anton Buscombe Bought A Business With "Odd Lot" Bonds—A Story Of A Small Investor

How much is a fortune? John Smith is said by his neighbors to be worth a fortune; as a matter of fact he is worth only $35,000. Henry Jones has a fortune and it adds up to million or so. Mr Einstein's theory must be understood if you are to use the word "fortune" advisedly. It it all a matter of "relativity."

All of which is preliminary to the story of Anton Buscombe and the tidy little nest egg that he got together by careful saving and systematic investing. It never got higher than $8,000 but it was a fortune to Anton Buscombe. Some of these days when Buscombe has built the foundations of his printing business so solidly that he can begin to take more than "a living wage" out of his profits every year he will start anew to build for the coming days of retirement. And because he has learned a method of investing that even the men of meagre incomes can apply to themselves the stability of his fortune is assured.

This business of fortune building began for Anton Buscombe back in 1917 when the first of the great nation wide Victory loan campaigns was staged.

"This is great," thought Anton. "I can buy a $100 bond, help the boys at the front and get 5½ per cent on my money at the same time."

He told Mrs. Buscombe that he was going to buy a bond. "Why, we only get 3 per cent. at the bank. This means $2.50 a year more interest on our $100 without taking any more risk."

Buscombe was a printing salesman. He was in and out of some of the bond houses in his city ever once in a while. One day he was in the investment banking office of Municipal Bonds, Limited. He started to talk printing to the advertising manager.

"Where is your Victory loan button," demanded Mr. Gillam the advertising manager, and he proceeded then and there to talk Victory loan to Buscombe.

"Sure, I'll take a bond. Put me down for $100."

"Look here, you aren't going to get away with buying a $100 bond. You are making $2,500 to $3,000 a year," ventured Mr. Gillam.

"I made over $4,000 last year," said Buscombe. "Business was good. Still is, for that matter. But I only have about $140 in the bank. Fact of the matter is I just can't save. I buy insurance. Have $11,000 now, some of it is endowment, some twenty pay life. Unless I force myself to it I can't keep the money together. Always something; new house; trip to New York on business; dollar in; dollar out, just like that, so put me down for $100."

"Sign on this dotted line." Mr. Gillam had been busy filling in a subscription blank. Buscombe blinked when he saw the amount. "Holy smoke. $1,000. But I haven't got $1,000."

"I know you haven't," said the bond man. "But you're going to take this $1,000 bond. You can pay us $100 down on it and give us $100 a month for nine months. Don't buck now; you can do it on $4,000 a year."

Buscombe signed. Moreover he came around the next month and paid his second $100; the third month, too. It meant a little rearranging of his affairs; he even had to forego a new car; but he felt satisfied. He was saving money; saving it in substantial monthly sums for the first time in his life. The nine months flew around quickly and when he had his $1,000 bond delivered to him it was a proud moment.

The next time his salary check was handed to him he felt rich. He had so re-arranged his personal finances that he now had more money than he actually needed though but a short time before he was spending almost everything he earned.

Another trip to Municipal Bonds, Limited, gave him a chance to talk to the bond man. As he glanced through the "copy" Mr. Gillam handed for an advertising circular to be printed, he remarked, "I notice you are offering City of Toronto bonds to yield nearly 6 per cent.; and province of Alberta bonds to yield 5.90 per cent. I feel I can save money now but it would take me nearly a year to save enough to buy one of these bonds. All in $1,000 denominations I notice. Victory loan campaigns are all right for us small fellows but when they are over, you financial men forget us. I would like to buy more Victory bonds, a $100 bond once a month or so, but why can I not get a little more than 5½ per cent?"

"You don't have to be a millionaire to buy government and municipal bonds," said Mr. Gillam. "I can sell you a good municipal bond that will earn you over 6 per cent on your money, that runs for eighteen years and that has a face value of only $124. Does that sound as though government and municipal bonds are out of your class?"

"Show me the bond and you've made a sale," said Buscombe decisively. Five minutes later he own a bond of a strong Ontario township.

"This is the first time I knew there were small bonds like this of the municipalities," he admitted.

The bond man explained. "The municipalities issue bonds payable in instalments. The total amount of the principal and interest payment is the same each year. The system is a bit complicated to explain in a moment but the net result is that the total of the bonds that fall due each year is usually an odd amount. Now in that particular issue I sold you there was $21,124 due in 1936. There were 21 bonds of $1,000 denominations and one bond for $124. The $124 bond was an odd lot. They really are rather burdensome for us because most of our business is with larger investors than yourself. As a business man you can understand that we cannot afford to sell bonds in small denominations. It costs as much to put through a $50 deal as a $10,000 deal; sometimes more. We cannot afford to get out and sell bonds to the smaller investors as we did in the Victory loan campaign. We would like to as a national duty but we cannot afford it.

"But we always have lots of these odd lots, small denomination bonds kicking around. We offer them to yield the investor just a shade higher than the larger bonds.

"Then you mean," exclaimed Buscombe excitedly, "that I am getting more every year on each dollar I invest than the large investor who puts in $1,000 or $10,000 of this same issue."

"That's what it amounts to," agreed Gillam.

Buscombe started to buy "odd lot" bonds. Every time he drew his salary cheque or received an extra bonus he dropped in to see his bond man and bought an odd lot bond. He surprised himself by the amount bonus. He paid $250 down and was he was able to save and invest. By the end of the year he had more than $5,000. Then he interested himself in stocks. Municipal Bonds, Limited, brought out privately an issue of preferred stock in an old and tried industrial. Buscombe bought $500 worth and got a common stock able to pay off the remaining $250 in two more monthly payments.

Though he did not know it, his success was having a wide influence. Gillam, himself, who had sold many bonds but who owned only a few himself started buying "odd lots," taking the medicine he had prescribed for Buscombe. He started others of his friends along the road.

It was late in 1920 tha tthe real value of his nest egg of $8,000 was brought to Buscombe. An opportunity came to buy a printing establishment at a bargain price. Business was not the best in the industry but looking ahead he could see that he would make a success of this plant. Over $6,000 of his bonds went back to Municipal Bonds, Limited for sale. There were nearly 40 of them. He made a profit on every single bond. The market had so improved that every one was worth more than he paid for it.

Anton Buscombe is not buying odd lot bonds any more. His business is on a profitable basis but he is putting his surplus earnings back into new type, new presses, new development work. But he can see the time ahead when he can draw out more than his salary every year. Then he will become an investor again. He will know how to invest then. Some day he will be a rich man, if luck and life stay with him.

"Odd lot bonds" made it possible for him to save $8,000 in little over three years. At that rate a fortune would not be long in the saving.

Although all of the stories in this series are true stories of the investment aims and methods of typical Canadian men, and the incident are actual occurrences, the names have of course been changed and those given in the articles are entirely fictitious.

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Action has already been taken to augment the present power supply, the Matachewan Power Company, Limited, having announced that work has recently commenced towards the development of their concessions on the Montreal River, which have an estimated capacity of 12,000 H.P. This will provide the required energy for the opening up of the rich Matachewan Gold Camp, as well as supply the Gowganda Silver Area.

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The Canadian Bond Corporation of New York is offering a new issue of $100,000 City of Sherbrooke, Quebec, 5 per cent. gold bonds, due June 1, 1942, at a price to yield more than 5¼ per cent. in New York funds. Principal and interest are payable at the Bank of Montreal, Montreal, Canada.

Paris, with 2,906,472 population, by latest figures, is growing at the rate of 1,836 a year, while Chicago with 2,701,705 in 1920, is increasing by 53,000 annually, announces Frederick Read, Chicago Municipal Librarian, predicting that the lake city will pass the French metropolis by March, 1924.

CIVIC AND PROVINCIAL FINANCE

CHECK TAX PUTS BURDEN ON WHOLE FABRIC OF CREDIT

(Continued from page 1)

and Co. borrow the $1,000,00 (really only $900,000 but we will say a million to avoid odd figures) from a bank. There is a $400 tax on the check from the bank; and another $400 on the check to the provincial treasure; a third $400 is piled on when the bonds are to be sold to other dealers. All of these taxes must eventually be passed on to the investor or absorbed by one or other of the dealers. If the loan at the bank is called—as often happens—and funds must be borrowed at another bank the tax mounts to another $800, or $2,000 in all on one million dollar deal. This is at the rate of 1/5 of one per cent. And yet only one actual transaction has been completed. The province has borrowed $1,000,000 from numerous private individuals. No commodities have changed hands. Credit has been created without any tangible profit to any one or any actual goods amount of $1,000,000 being performed. No actual trading has been involved which, would be a legitimate subject for taxation but rather several taxes have been levied upon the operation of the machinery of credit and exchange, which has been built up by the development of civilization from the age old system of barter.

Taxes a Necessary Function

Perhaps the first point to make clear is that the use of cheques is part of the very fabric of the security business; not as a mere convenience, as in commercial affairs, but a vital condition to trading. There is no alternative. In commercial trading currency plays by far the larger part—that is in retail affairs—but currency in transactions not of dollars, but of thousands, or tens of thousands, is obviously out of the question. Practically every transaction involves two cheques and this number frequently, in inter-trading, is increased to four, six, or even eight. On each of these, say in a $100,000 transaction, a new tax of $40 is involved. This makes the cheque tax a serious matter for such houses.

Is Tax Passed On

It may be argued that the tax will eventually be passed on to the client of the house—the ultimate purchaser of the bonds. Possibly so, but one result of such a practice has already been shown—a wider margin of profit will have to be demanded by the brokers if they are to receive any net compensation for their services. This will naturally restrict trading in securities. Markets will be narrowed. Whereas there should at all times be the widest possible market for securities, the reverse will be true when the tax is applied.

Business of any kind can bear a certain "burden;" increase that burden and business declines. There is a limit beyond which the buyer will not go. Hence it is felt that the new tax would injure the activity in what has became a standardized medium of trading, and thus directly affecting the Finance Department, and becoming an obstacle in future domestic loans.

The bond dealer thus illustrated a transaction in which he was about to engage if the new tax went into effect. This involved the purchase of $55,000 in bonds, for which his cheque would call for $22 in stamps. Taking it to the bank to borrow $50,000 he would pay a special rate of 2 cents per $100, as on a call loan for 3 months, or $10. When the bonds were sold and the bank paid back the cheque would mean another $20 tax. This being registered stock must pay for stock tax which is now 5 cents per $100—increased from 2 cents—or $27.50 and in addition the provincial government tax of 2 cents per $100 or 11 cents.

His estimated profit at ⅛ of one per cent. would be about $69.

The transaction thus would mean a net loss.

In tendering for a municipal issue, say of $500,000, twenty firms might submit bids, and have to deposit cheques for 1 per cent. or $5,000. The taxes would be $2 each or $40 in all. All but one, the successful one, would be returned, but the tax would have to be paid. The successful tenderer would pay a $200 on the $500,000 cheque, and easily pay another $200 cheque tax before the transaction was completed, turning over the bonds finally on a gross margin of ¼ of one per cent. or $1,250. The cheque would amount to one-third of his profits—a heavy charge.

Cost More To Borrow

Figuring out the result of the tax thus far we have seen how it is likely to restrict trading in bonds and securities; that only to a certain degree can the investor be asked to bear the new burden. What follows then? The tax will have to be applied at the other end. The borrower will have to pay his share of it. Bond dealers will put in smaller bids for municipal and provincial government issues and will pay lower prices for industrial and corporation issues. The effect will be felt by every individual in the country in his municipal taxes and his provincial taxes. The cheque tax becomes cumulative in its effect.

As an alternative some bond dealers, while not making any specific proposal to the Minister, state their willingness to accept a cheque tax with a 5 cents maximum. One bond dealer was willing to go further. He said, Mr. Fielding's game is too high for us. The sky's the limit. If he'll put on a two-cent ante, dollar limit tax we'll be able to play with him."

ALL BIDS REFUSED IN THREE BOND ISSUES

But Manitoba Sells Three Year Notes to Raise Capital Needed

Manitoba sold $3,934,000 of 5 per cent. three year notes to the Dominion Securities Corporation this week. These notes are payable in the United States and the price received was 98.70.

The province had originally refused all tenders received for $2,934,000 of 30 year 5% bonds. The highest bid received was 96.41.

British Columbia also turned down all bids received for its $2,500,000 of 5% 30 year bonds.

Hamilton refused to accept a basis of 5.51% for $734,240 of bonds and will call for new bids.

Cobourg sold $12,000 of 20 instalment 5½% and 6% bonds to W. C. Brent & Co. at 102.75 for the 6 per cent. bonds and 98.86 for the 5½ per cent.

TENDERS AND BY-LAWS

TENDERS WANTED

June 12, Amherstburg.—$17,252 6 per cent. 10-instal. debentures. W. A. McCormick, Town Clerk. (See announcement on page 16.)

June 7, Village of Erieau.—$15,000 6 per cent. 20-year installment debentures. P. S. Shillington, Treasurer, Blenheim, Ont.

BY-LAWS PASSED OR DEFEATED

Milton.—$8,000 for extension of sidewalks, water mains, etc. Passed by the ratepayers on May 27.

SASKATCHEWAN

The following is a list of authorizations granted by the local government board from May 8th to May 20th, 1922:

School Districts.—Mossbank, $8,000; Twynholm, $800; Greenbank, $4,000; Oukraina, $800; Lynette, $3,800; Stalwart, $2,500; Saginaw, $4,400; Welby, $2,300; Sage Brush $4,000.

Rural Telephones.—Tadmore, $1,150.

Village.—Aneroid, $1,000.

City of Regina, $1,540.

The following is a list of debentures reported sold from May 8th to May 29th, 1922:

School Districts.—Meacham, No. 3469, $11,000, 20 years, 8 per cent., Waterman-Waterbury Mfg., Regina. New Bank, No. 2818, $600, 10 years, 8 per cent., C. C. Cross & Co., Regina. Canwood, No. 2939, $10,500, 20 years, 7½ per cent., C. C. Cross & Co., Regina. Rocanville, No. 22, $3,000, 10 years, 7½ per cent., Regina Public School Sinking Fund. Kristnes, No. 1267, $500, 5 years, 8 per cent., Brotherhood Amemean Yeomen. Norquay, No. 1426, $600, 5 years, 8 per cent. C. C. Cross & Co., Regina. Bushville, No. 138, $5,700, 15 years, 8 per cent., Waterman-Waterbury Mfg., Regina.

Rural Telephone Company.—Glenavon, South, $800, 15 years, 7¾ per cent., C. C. Cross & Co., Regina.

City.—Moose Jaw, $44,599, 10 and 30 years, 6 and 6½ per cent., E. Brown & Co., Winnipeg, Man.

Villages.—Dinsmore, $1,700, 10 years, 8 per cent., C. C. Cross & Co., Regina. Mossbank, $2,000, 10 years, 8 per cent., Emery & Anderson, Winnipeg.

VICTORIA ADDS TO ITS SINKING FUND

Judicious Re-investment Means Longer Term Securities and An Increase in Fund

From Our Own Correspondent.

VANCOUVER.—Victoria has sold to A. E. Ames and Co. $100,000 serial 6 per cent. Johnston street bridge bonds at 100.85.

The city also sold to A. E. Ames and Co. $108,000 of British Columbia 5 per cent. bonds due 1939, which had been held in the sinking fund, at 95.27. The proceeds will be reinvested in Canadian Northern Ontario Railway 3½ per cent. bonds due 1961, for which 72.70 will be paid.

The city has sold nearly a million dollars of its sinking fund Victory bonds, all of them of comparatively short term and has reinvested the proceeds in various railway issues and other issues, all guaranteed either by the Dominion government or by one of the provinces. The immediate result has been to increase the sinking fund by about a quarter of a million dollars without impairing the security and an equally satisfactory feature is that all the bonds purchased are of a long term—most of them maturing in 1961. The longer term has been obtained without loss in interest yield.

Victoria's move has attracted widespread attention among municipal officers and is likely to be followed by similar action by other officers in control of municipal sinking funds.

NEW INDUSTRIES FOR SOUTH CAN. POWER

From Our Own Correspondent.

MONTREAL.—Further details are announced of the development of another silk industry in the Eastern Townships, where the Premier Silk Mills have been definitely located at Cowansville. This Company has been incorporated under Dominion charter with a capital of $250,000 preferred stock and 2,500 shares of common stock of no par value. This Company is controlled by the same interests as own the Regal Silk Co., of Paterson, N. J. A factory has been purchased at Cowansville and this is now being remodelled. The Company has also purchased five acres of land adjoining. The Company will manufacture skin dyed goods and piece dyed goods and is said to be the first establishment in Canada to manufacture this class of material.

ALBERTA TO BORROW

A new Alberta government debenture issue of $3,500,000 30-year 5 per cent. bonds will be put on the market early in July. Of this amount $1,500,000 will be for the refunding of a 1912 ten-year issue, and the balance will be used for the general account purpose of the Government, including the public works program for the present summer.

BONDS BY COLOR

Do you buy bonds by color?

The City of Toronto has worked out a color scheme for its debentures. Bonds issued to raise money for the street railway are blue in tint; school bonds are yellow and bonds issued for general purposes are green.

All the bonds are standardized as to shape and form.

The convenience to the city's staff and to bond dealers in handling bonds so standardized can well be appreciated.

President Morton of National Board of Fire Underwriters says business failures had much to do with fires which cost the United States $485,000,000 in 1921, a year free from any conflagration of magnitude.

Secretary Davis says unemployment is practically eliminated in New York state, and reduced 50 per cent in Pennsylvania. Conditions on Pacific Coast and in south show steady improvement.

BOND MOVEMENTS OF THE WEEK

Latest Price Week Ending May 30

BONDS—	Int. Rate.	Due Year.	Yield.	Range 1921 High	Range 1921 Low.	Range 1922. High.	Range 1922. Low.	Latest Price. Ask.	Latest Price. Bid.	Week End. High.	Week End. Low.
Asbestos	5	1942	6.39	100	73	100	76	—	85	84	—
Bell Telephone	5	1925	6.30	93½	81¼	96½	94	—	93¾	95½	—
Can. Felt	6	1940	6.85	88	88	91	91	—	90	91	—
Can. Cement	6	1929	6.40	95	89	98⅜	94	—	98	97½	—
Dom. Cotton	6	1922	6.50	99¾	96	99½	99	—	99¼	99½	—
Dom. Iron	5	1929	6.80	88	75	89½	82½	89¾	89	89	—
Montreal Trams	5	1941	6.03	90¼	82¼	89	87½	89¾	89	89.	—
N. S. Steel	5	1959	5.52	76¾	69¾	83½	78½	—	80	81½	—
Ontario Steel	6	1943	6.60	87½	87½	94	91¾	—	90	91¾	—
Penmans	5	1926	6.65	89½	85	93	90	93	—	93	—
Quebec Rly.	5	1939	8.00	68	59	72½	63½	71½	71	72	71
Rio Janeiro	5	1935	6.60	84¼	78	85⅝	76	—	—	85½	—
Steel of Can.	6	1940	6.05	98½	88½	99⅜	97	—	98¼	99⅜	99
Wagamack	6	1951	7.72	78¼	69½	80	71¾	81	80	80	—
War Loan (1925)	5	1925	5.50	96.00	92.00	98.60	96.10	98.60	98.25	98.30	97.85
Do., (1931)	5	1931	5.19	96.60	90.05	98.90	96.25	98.50	98.25	98.60	98.25
Do., (1937)	5	1937	5.00	102.50	94.50	101.50	99.50	100.20	100.05	100.20	99.75
Victory* (1922)	5½	1922	5.65	99.55	96.62	100.10	99.10	99.90	99.80	99.95	99.55
Do., (1923)	5½	1923	5.63	99.50	95.50	100.10	98.75	99.80	99.70	99.90	99.50
Do., (1924)	5½	1924	5.70	98.50	94.25	100.75	98.00	99.60	99.40	99.50	99.15
Do., (1927)	5½	1927	5.30	101.00	95.25	102.70	99.75	——	100.90	101.00	100.60
Do., (1933)	5½	1933	5.18	101.80	95.12	103.90	101.25	102.80	102.70	103.00	102.60
Do. (1934)	5½	1934	5.43	99.43	92.25	101.45	98.80	100.60	100.50	100.95	100.40
Do., (1937)	5½	1937	5.02	104.00	96.50	106.55	103.30	105.35	105.20	105.40	104.75

WEEKLY RECORD OF GOVERNMENT AND MUNICIPAL BOND SALES

Date Place	Sold To	Rate	Term	Amount	Price	Basis
May 25—Bifrost, Man.	C. H. Burgess & Co.	6 %	10½ in.	12,000		
May 26—Casselman, Ont.	C. H. Burgess & Co.	7 %	5½ in	7,000		
May 23—Chapleau Tp.	Sun Life Company	6 %	8 & 9	50,000		
May 31—Fort Frances, Ont.	C. H. Burgess & Co.	7 %	10½ in.	90,691		
May 30—Oeline River, Man.	W. L. McKinnon & Co.	6 %	30	30,000	98.77	6.08
May 31—Cobourg, Ont.	W. C. Brent & Co.	6 %	20 in.	12,000	102.75	
May 20—Sask. Schools and towns	Various			102,649		
	PROVINCIAL					
May 29—Manitoba	Dom. Securities Corp.	5 %	3 yr.	3,934,000	98.70	
	CORPORATION					
May 31—Consolidated Smelters	Shareholders	7 %	20 yr.	6,000,000		

*Payable New York.

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6½%
Twenty-Year First Mortgage Sinking Fund Bonds
To Yield About
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INVESTMENT BANKERS
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CITY OF
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6's
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An Unusual Opportunity
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These preferred shares pay a cumulative dividend, payable quarterly, of
8% participating to 11%
Write for further information.
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Government and
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TORONTO
Canada

Negotiations under way for loan of $10,000,000 to Italian Edison Co., to be used for electrification of railroads of Northern Italy. Financing is understood to be connected with the acquisition of hydro electric proposals in Northern Italy by Aldred & Co.

BRITISH COLONIAL
FIRE INSURANCE COMPANY
MONTREAL
Canadian—Strong—Progressive
General Fire Insurance Business Transacted
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The Leading Life Company of the Dominion
Assurances In Force - $550,000,000
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TOTAL BENEFITS
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$74,000,000.00
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YOUR FAMILY, YOUR HOME, YOUR BUSINESS,
---Demand Adequate Protection---

A healthy man, thirty-five years of age, earning $1000. per annum is worth to his family in money, as an income producer, at least $17,500. That is—when he dies, the family loses in potential wealth $17,500. An income of $1000 at earlier ages than 35 is worth more; at later ages less. Your estate, including the life insurance that you carry, probably does not nearly equal the present value of your income. In view of this, should you not increase the protection you are at present carrying? Mutual policies give maximum protection at minimum cost. It is of course not practicable to carry insurance sufficient to replace entirely the income received during the assured's life-time. But every effort should be made at least to guarantee to the survivors a home with a reasonable standard of living.

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The Great West Permanent
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VANCOUVER AND VICTORIA

INSURANCE AND REAL ESTATE

CROP INSURANCE MUST COVER ANY AND ALL HAZARDS

The Premium Must Bear Reasonable Relation To Protection It Affords

SPIRIT OF CO-OPERATION

Must Exist Between Farmer and Insurer to Achieve Best Results Says Government Expert

In all probability the ultimate form of crop insurance contracts will remains to be devised, says V. N. Valgreen, in a survey on the subject for the Department of Agriculture at Washington. Two weeks ago THE FINANCIAL POST published an article giving the objections to a proposal for national crop insurance. This proposal was put forward as a possible solution to preventing the tremendous losses as suffered by the farmers last year. In the following article Mr. Valgreen points out the eight principles that are fundamental to a sound plan.

The insurance must cover only such crop damage as will result in serious financial loss to the farmer. This means that only a reasonable amount of insurance an acre must be written. For establishing such reasonable amount the average yield and price for a series of past years is perhaps the best basis. It means, furthermore, that the acreage of a given crop, of not the entire farm, must be insured as a unit and adjustment made on the basis of average yield of such acreage. The total loss of crop on one or a few acres out of a hundred is not a serious loss if the acreage as a whole gives average or a substantial part of such average.

The insurance must cover any and all hazards which are beyond the farmer's control. Insurance which protects against certain hazards and leaves the insured exposed to total loss from other hazards beyond his control is not real crop insurance.

In no case must the insurance protect against loss from carelessness or negligence on the part of the insured. Such protection would involve a moral hazard, the encouragement of which is against the best interest not only of the company but also of the insured.

The permium, or cost of insurance, must bear a reasonable relationship to the value of the protection that it purchases. This means that the expense item in the expenditure of the insurance organization must be held to a minor part of the premiums collected; that profits, if the organization operates for profit, must be moderate, and that the bulk of the premiums must be available for the payment of current losses and in favorable years for additions to a reserve for the payment of future losses.

Adjustment of Loss

The method of adjusting loss must be such that the insured will receive indemnity for crop damage in the amount or on the basis that he is led to expect from the figures indicating the amount of insurance an acre. The company should not profit by a calamity to the farmer in the form of reduced prices for his product.

An early adjustment should be provided for in case of total failure of an insured crop, or such an approximation to failure that it would not pay to mature and harvest the crop. The part of the income or yield guaranteed by the contract which becomes due under such circumstances, should be plainly stated and should not exceed the value of the labor and other costs, including rental, that are actually lost to the insured in connection with the crop.

All adjustments involving only partial damage should, so far as possible, be left until after the crop has been harvested and put into marketable form so that quantity and grade can be determined. This makes possible economy in adjustment expenses.

There must be a certain degree of understanding between the farmer and the company or agency offering the insurance if protection is to be available on truly favorable terms. Crop insurance must be bought on the same principle as fire insurance, merely as a guaranty against serious loss and not with the expectation of securing an indemnity every two or three years. If the insurance is to be written with the idea that frequent indemnities for minor cases of crop damage are to be paid, it necessarily becomes so expensive that those in greatest need of it can ill afford to buy it. The insured should find some method of helping the organization providing protection to reduce the heavy expense connected with the acquisition of business which now prevails in nearly all lines of insurance, at any rate where the business is conducted on a commercial basis.

In some of the European countries farmers' organizations have applied the principle of collective purchasing to their insurance problems. Perhaps the farmers' organizations of the United States will find some way of solving this problem on a plan consistent with American laws and American conditions, the writer of the bulletin suggests.

New Reinsurance Co. Making Good Progress

The first meeting of the Reinsurance Company of Canada was held recently at the offices of the Ontario Equitable Life Insurance Company at Waterloo, Ontario. C. S. Tweed, president, stated that shares had been taken up in record time. Mr. Tweed explained that to date the actual reinsurance issued amounted to $160,159, while applications were pending for over $60,000. An objective of a quarter of a million had been set, he said, and would be reached in short order.

The officers of the new company are as follows:

S. C. Tweed was appointed president; Hon. Senator H. W. Laird, J. A. Martin, Hon. M. W. Doherty, E. C. Mitchell, vice-presidents; M. J. Smith, secretary; A. J. Huenergard, B.A., F.A.S., actuary; and Dr. W. L. Hilliard, medical director; J. C. Haight, K.C., solicitor. Messrs. Breithaupt and Bauer were elected members of the executive. Messrs. J. and J. F. Scully were appointed auditors.

LONDON A CITY OF HOME BUILDERS

Western Ontario Reports A Shortage Of Mortgage Funds in That District

From Our Own Correspondent.

LONDON.—With approximately 97 per cent. of the record number of new homes being built here awaiting occupancy by the owners there is every indication that London's position as a home-owning city will be strengthened this year. Official figures show that 80 per cent. of the homes in London are owned. Out of 14,000 homes in the city 11,200 are occupied by the owners. This spring there has been an unusual rush of home building, the figures up to June 1 being over the million mark and making a new record for the first half of the year. Out of all these only a very small percentage will be available for renting purposes. At the end of the year officials believe that London's percentage of owned homes will be very close to 90. At the present time, Hamilton and Calgary are tied for second place each having a percentage of 60.

There are practically no places of any kind in the city to let, and small medium priced dwelilngs are out of the market. Bankers and others in discussing the situation with THE FINANCIAL POST state that heavy investments in bonds have taken nearly all the money that was formerly available for housing loans. There is still any amount of opportunities for placing money, but those who formerly made a nice income out of this state that there is no money to be had. Even loans for farms are getting difficult to obtain.

INSURANCE TOTALS SLIGHTLY AHEAD

Small Increase Over First Quarter of Past Year Indicates Greater Thrift

The renewed thrift among wage-earners finds an outlet in more insurance as well as in savings deposits in banks. Latest figures available for the first quarter of the current year, show a small but steady gain. During the three months, the principal companies in the United States and Canada secured approximately $1,690,000,000 worth of new business. The increase over the first quarter of 1921, is 3.4 per cent. and the monthly average exceeds that of any year, except 1920.

It is in industrial insurance, that the advance of the saving spirit has been made. Ordinary insurance has barely held its own. Industrial insurance for the quarter has risen steadily each month, and 14 per cent. above the same period last year. The number of policies gained only 12 per cent., however, indicating that the workers this year are insuring themscelves for larger amounts.

MEXICO LOOKS TO CANADA

The Mexican State Steamship Line is contemplating the establishment of a service between Vancouver and Mexican ports. This company has been operating steamships from Salina Cruz to San Fransico for some time, and now wishes to extend its service to Canada's Pacific port. Several years ago a service was given by the Canadian Mexican Steamship Line, between Vancouver and Salina Cruz, in connection with the Tehuantepec Railway, which crosses the Tehuantepec Isthmus to Puerto, Mexico, where transhipment was made to Transatlantic steamers. General conditions in Mexico and the opening of the Panama Canal, however, tended to decrease the amount of business by this rout and the service was subsequently given up.

LYALL CO. PROFITS WERE NOT ENOUGH TO PAY DIVIDENDS

A Deficit After Meeting Interest Sinking Fund and Dividends

PROSPECTS ARE BETTER

Hopeful of Esquimalt Dry Dock Contract Coming Back—New Contracts On Hand

From Our Own Correspondent.

MONTREAL.—The annual statement of P. Lyall & Sons Construction Co. for the year ending March 31, 1922, indicates the reason why the common dividend was reduced from 8 to 4 per cent. in December, and passed altogether for the first quarter of the new fiscal year. This was due to the fact that while there were fair earnings for the past year, these fell considerably below those of the previous year, and were not sufficient to cover bond interest, preferred dividends and the common dividends as well. Indeed, after sinking fund had been provided for, there was a deficit of $82,000 which had to be deducted from the accrued surplus. The net earnings, allowing for sinking fund, as available for the dividend amounted to barely $40,000, where an 8 per cent. dividend called for $140,000.

The final action in connection with the dividend was prompted by the cutting off of the contract for the Esquimalt dry dock which it was expected would have netted the company a comfortable margin of profit. The president, William Lyall, states in his report to the shareholders that the directors regretted the necessity of reducing the dividend owing to the conditions prevailing, and when the Esquimalt dry dock was closed down definitely nothing remained but to discontinue it altogether. They are confident, however, that the contract will again be started up in the near future. He adds this satisfactory information: "A few more contracts have been secured and prospects for future work are encouraging."

Dealing with the year's operations, the president states that the expected improvement in the construction business did not materialize, and competition became a menace to profitable business, "some of your company's contracts, upon which a profit was anticipated, proved to the are encouraging."

Labor employed at the present time is more reasonable and shows strong indications of increased production, which will, no doubt, encourage and cheapen work of all kinds.

Your directors beg to report that negotiations have been started for the sale of the Transportation Building Company's bonds, which are held by your company. The sale of these bonds is of great importance to the company, and would give more liquid working capital and enable the company to take advantage of profitable opportunities that may be available.

The profit and loss accounts for the past three years compare thus:

PROFIT AND LOSS ACCOUNT

	1921-22	1920-21	1919-20
Earnings	$240,738	$375,265	$377,734
Bond int.	50,318	53,838	57,164
Balance	190,420	321,427	320,570
Pfd. div	91,000	91,000	91,000
Balance	99,420	230,427	229,570
Com. div. .	122,500	140,000	140,000
Balance	*82,880	34,027	36,070
Sink. fund...	59,800	56,400	53,500
Prev. bal....	472,099	438,072	402,001
Surplus	389,219	472,099	438,071

*Deficit.

Bonds to be Sold

The balance sheet so far as showing the substantial working capital position is only in a conditional sense for the time being. One of the items of current assets consists of "investments" of $1,277,208, most of which consists of bonds of the Transportation Building which have been held for some time by the Lyall Co. in part payment of the cost of the claim for construction. These bonds it is intended, as has been stated before, to dispose of, and this will add to the liquid position of the Company. Then the item of "accounts receivable" of $903,000 is made up to a great extent of the claim against the Government for the construction of the new Parliament Buildings at Ottawa. It will be remembered that the original agreement called for payment on a "cost-plus" basis to this Company, with a limit of $5,000,000 set on the total cost of the building. This ran up to nearly double that amount, owing to changes in the plans, and to increased cost of material and labor more than had been anticipated, and the Company has asked the Government to pay them their commission on the extra amount which it is generally understood would amount to around $500,000.

London cable to Journal of Commerce says American buyers have entered the Newcastle market for 30,000 to 40,000 tons of best steam coal. Monthly shipments would be made from June to August, inclusive.

The Western Empire
Life Assurance Company
Head Office: 701 Somerset Bldg., Winnipeg, Man
Men of proven ability would do well to write for particulars of the Agency Contract the Company is prepared to offer. Several District Managers required to cover exclusive good territory at a number of Western points.
Branch Offices:
Saskatoon Calgary Vancouver
WILLIAM SMITH
Managing Director

Western Assurance Company
Fire, Marine, Automobile, Explosion, Riots, Civil Commotions and Strikes Insurance.
Incorporated 1851
HEAD OFFICE, TORONTO, ONT.
Losses paid since Organization $84,000,000.00
BOARD OF DIRECTORS: W. B. Meikle, President, Wilfrid M. Cox, Vice-President, Sir John Aird, Robert Bikerdike (Montreal,) Ltd.-Col. Henr Brock, Alfred Cooper, (London, Eng.) H. C. Cox, John H. Fulton (New York,) D. B. Hanna, Miller Lash, Geo. A. Morrow, Major-Gen'l Sir Henry Pellatt, C.V.O., E. R. Wood.

British America Assurance Co.
Fire, Marine, and Automobile Insurance
HEAD OFFICE - TORONTO
BOARD OF DIRECTORS: W. R. Meikle, President and General Manager; Wilfred M. Cox, Vice-President; Sir John Aird, Robt. Bickerdike, (Montreal), Lt.-Col. Henry Brock, Alfred Cooper (London, Eng.), H. C. Cox, John H. Fulton, (New York), D. B. Hanna, Miller Lash, Geo. A. Morrow, Major Gen'l. Sir Henry Pellatt, C.V.O., E. R. Wood.
Losses Paid Since Organization, over ...$52,000,000.00

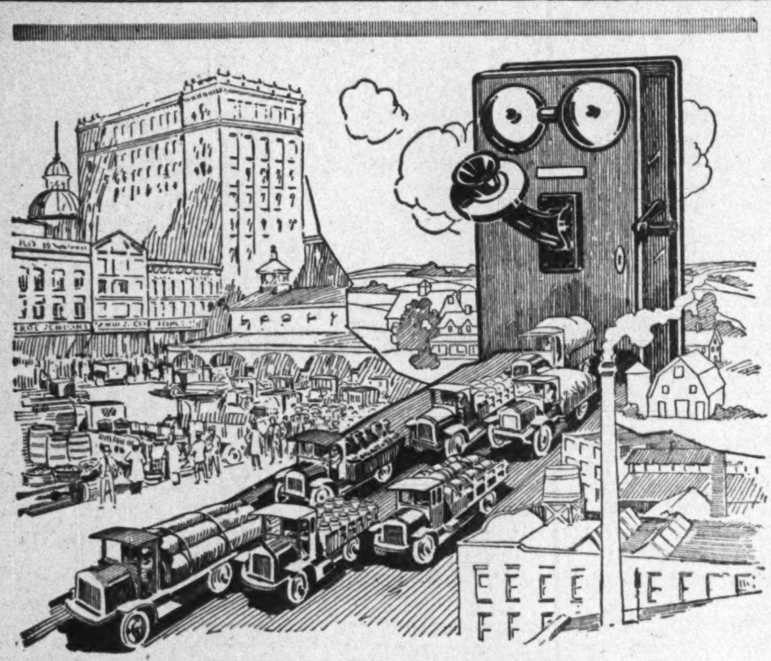
WESTERN HOMES
Limited
WINNIPEG, MAN.
Capital Authorized ..$5,000,000
Capital Subscribed... 1,700,000
Mortgage Investments
Available shares afford a safe and profitable investment for savings. For full particulars write the Company's Office, Confederation Life Building, Winnipeg.

THE
CANADA NATIONAL FIRE
INSURANCE COMPANY
HEAD OFFICE, WINNIPEG, MAN.
TOTAL ASSETS $2,792,662.00
TORONTO, 24 Adelaide St. W.
W.H. George, Superintendent of Agencies

The Miniota Farmers' Mutual Insurance Co.
BEULAH, MAN.
Amount of insurance in force, $50,000,000.00
Assets of over $800,000.00.
Agents wanted in unrepresented districts. Apply to
H. E. HEMMONS,
Sec'y-Manager.

Assessment System
THE CANADIAN ORDER *of* CHOSEN FRIENDS
Good Features
A Government endorsed twenty-year paid-up plan.
Whole family life insurance, at Government standard rates.
The best sick and funeral benefits. Double sick benefits, by paying double rates.
An up-to-date child insurance department.
Further particulars gladly furnished by corresponding with
John L. Davidson,
Grand Councillor,
540 Euclid Ave., Toronto, Ont.
W. F. Campbell,
Grand Organizer,
Hamilton, Ont.
Wm. F. Montague,
Grand Recorder-Treasurer,
P.O. Drawer No. 349,
Hamilton, Ont.

Satisfactory Service Guaranteed
PRUDENTIAL
TRUST COMPANY
LIMITED.
Trustees, Executors,
Administrators,
Real Estate and Insurance.
Safety Deposit Vaults.
B. HAL. BROWN,
President and General Manager.
HEAD OFFICE
PRUDENTIAL TRUST BLDG.,
Montreal.
Branches throughout Canada and in London, Eng.



The Voice that Commands Supplies

That you may not lack food or other necessities, a constantly growing stream of goods and products flow to market along country roads, many of them ordered or sold by Long Distance.

Progressive dealers rely on Long Distance. It enables them to take advantage of favorable market conditions and order supplies quickly, and secure confirmation of the order at the same time.

Buying and Selling by Long Distance is the most efficient way of securing a maximum number of results in record time, at minimum cost.

Bankers, Brokers, Manufacturers, Merchants, Builders, Contractors, Butchers, Bakers, Grocers, Department Stores, Newspapers — all are using Long Distance more and more to increase efficiency.

Could all your salesmen see as many prospects as can be reached in one day by Long Distance?

THE BELL TELEPHONE COMPANY OF CANADA
LOCAL LONG DISTANCE TELEPHONE

Every Bell Telephone is a Long Distance Station

To the Holders of the SEVEN PER CENT TWENTY YEAR FIRST MORTGAGE SINKING FUND GOLD COUPON BONDS of AMES HOLDEN FELT COMPANY LIMITED

Due 1st JANUARY, 1940

AMES-HOLDEN McCREADY Limited has defaulted in the payment of the interest on its First Mortgage Gold Coupon Bonds which became due on the 1st of April, 1922.

Ames Holden McCready Limited is largely interested in Ames Holden Felt Company Limited and in Ames Holden Tire Company Limited, both of which have been operated as subsidiaries of the parent Company. The three Companies mentioned have outstanding issues of Bonds. The principal and interest of the Bonds of Ames Holden Felt Company Limited and Ames Holden Tire Company Limited have been guaranteed by the parent Company. Protective Committees have been formed to represent the different classes of bondholders of each of the three Companies interested. The ordinary creditors of each Company will also be represented by Committees.

In order to protect the interests of the First Mortgage Bondholders of Ames Holden Felt Company Limited a Bondholders Protective Committee has been organized with the following members:—

J. R. RYAN,
of Ryan, Grier & Hastings,
Montreal.

BRIGADIER-GENERAL E. de B. PANET,
of Montreal.

A. C. STEAD,
of Riddell, Stead, Graham & Hutchison,
Montreal.

This Committee is organized for the sole purpose of protecting the interests of the First Mortgage Bonds deposited under its control. It is earnestly recommended that you deposit your bonds with this Committee by sending them in at once with the July 1st, 1922 and all subsequent coupons attached, to The Royal Trust Company at its offices in Montreal, Toronto, Quebec or Winnipeg, Depositary under the agreement.

Registered bonds must be accompanied by instruments of transfer executed in blank. Transferable certificates of deposit will in every case be issued against the deposit of bonds. Bonds will be received for deposit up to and including the 20th of June, 1922.

Copies of the Bondholders Protective Committee Deposit Agreement under the terms and conditions of which the Twenty-Year First Mortgage Gold Bonds of Ames Holden Felt Company Limited will be deposited have been lodged with the Depositary (Royal Trust Company) and one or more copies of the same will be delivered to any bondholder on demand.

Montreal, April 27th, 1922.

On behalf of the Committee.

STANLEY MacPHERSON,
Secretary.

Secretary's Address:
804 Bank of Toronto Building,
St. James Street, Montreal.

DOMINION TEXTILE SHOWS PROFITS OF OVER $1,900,000

Held Total Up To High Record Established In Previous Year

STRONG POSITION

Working Capital, Reinforced By Bond Sales, Exceeds $8,000,000—Production Greater

From Our Own Correspondent.

MONTREAL.—The statement that has been made in these columns before that the textile industry in Canada had passed through the period of readjustment with probably the least injury of any industry and was in more prosperous condition than any other, receives further support in the annual statement of Dominion Textile Co. for the year ending March 31, 1922. The profits of $1,768,861 are practically as large as the year before, and exceed those of the previous year. After all deductions, allowances for bad debts, and the payment of preferred dividends, there remained the sum of $971,109 available for dividends on the $5,000,000 of common stock, or an equivalent of 19.42 per cent.

Not only were the profits maintained, which is an unusual condition on a falling commodity market, but the production was greatly increased, by over 31,000,000 yards. In addition the working capital position of the Company has been improved and the margin of current assets over current liabilities now exceeds $8,000,000. A portion of the profits was due to the fact that the Company, prior to the rise of about 10 cents per lb. in the price of raw cotton in September and October last, had purchased several months supply which as the report states, "in a measure accounts for the satisfactory results shown today."

Operated to Capacity

Indeed the report of the vice-president, Sir Herbert Holt, whose name is signed in the absence of Sir Charles Gordon, the president, sounds almost like the "boom" time following the Armistice. "The year under review from a manufacturing standpoint, has been one of great activity," he says. "Every department and branch of your company has been operated to capacity, with the result that our productions were increased over the previous year by 18,500,000 yards of grey cloth, 8,250,000 yards of printed cloth, and 5,000,000 of bleached and finished cloth."

After meeting all requirements, including dividends both on preferred and common, there remained a surplus of $371,109 for the year during which there had been paid 12 per cent. on the common stock as compared with 10 per cent. the previous year and 8 per cent. in the year 1919-20. The total surplus now exceeds $5,000,000.

The profit and loss account for the past three years compares as follows:

Profit and Loss Account

	1921-22	1920-21	1919-20
Profits ..	$1,768,861	$1,780,938	$1,701,244
Interest .	138,376	150,072	144,131
Total	1,907,237	1,931,010	1,845,375
Rentals ..	....	31,416	112,500
Balance ..	1,907,237	1,899,594	1,732,875
Bond int..	*750,286	524,359	493,072
Welfare .	....	45,420	......
Bad debts	50,000	110,423	....
Balance ..	1,106,951	1,219,390	1,239,803
Pfd. div..	135,842	135,842	135,842
Avail Com	971,109	1,083,548	1,103,961
Com. divs.	600,000	500,000	400,000
Surplus ..	371,100	583,548	703,961
Prev. sur.	4,636,591	4,053,044	3,349083
Tot. sur. .	5,007,700	4,636,591	4,053,044

* Including bond discount and rent account provisions.

Inventory Greatly Reduced

In the balance sheet of the Company there is reflected the recent sale of $2,000,000 of bonds part of which went to retire a portion of the $3,700,000 of Dominion Cotton Mills Co., bonds due July 2 next. The report states that the sale of the new bonds will be sufficient to enable the Company to complete the retirement of the others.

The condition of the inventories shows a remarkable change as compared with two years ago when there was nearly $4,500,000 worth of raw cotton on hand, as against less than $300,000 at the close of the fiscal year. The cash item is unusually large owing to the sale of the bonds. Bank loans of over $1,000,000 have disappeared and none now remain. An item of $2,694,000 includes a plant renewal fund as well as reserve for pension fund and bad debts. As was the case with Canadian Cottons, the Dominion Textile Co., set aside out of earnings the past year the sum of $50,000 which was considered sufficient to meet all bad debts accumulated during the year. This indicates a very healthy condition of the Company's accounts receivable, which had a very low loss ratio, leaving the "reserve" fund untouched.

Working Capital Account

Current Assets	1922	1921
Raw cotton	200,529	357,121
Mfg. cotton	880,994	860,731
Cash	*1,561,844	*550,520
Supplies	359,901	506,709
Acc, rec.	2,552,925	2,803,340
Investments	4,122,264	3,707,908
Total	9,903,459	8,926,331
Current Liabities	**1922**	**1921**
Loans	....	1,150,732
Deposits	83,581	39,658
Acc. pay.	*1,397,681	†1,021,650
Acr. wages	172,825	193,500
Acr. int.	70,510	70,337
Pfd. div.	33,960	33,960
Total	1,758,539	2,527,860
Bal. Work. Capital	8,144,900	6,398,471

WHY SHOULD FARMERS HAVE SPECIAL BANKING FACILITIES

(Continued from page 11)

the farmers in 1921—he goes without food, clothing, or what not; or quits altogether a bankrupt, as some 800,000 American farmers quit in Canada in ten years. The lender is secure holding the land. If the business man, who drew the $6,000 salary and $2,000, for travelling expenses, were forced to quit cold, the bank would have a $250,000 business on its hands on which it could not realize 30c on the dollar, so for its own sake, the bank gives the business man an easier credit.

I could give you a similar case of $211,100 indebtedness on the part of a Western wholesale house. Yet these very business men condemn the farmer—call him "crazy"—for wanting credits that will give them a living wage while they pay interest and amortize principal, in long time return payments of small amounts.

That is the cardinal feature of the U. S. Federal Land Banks. Each interest payment repays a little principal, so making the Federal Land mortgage a safe investment each year, because the principal is being repaid, and at the end of the term of the bond's life, all interest and all principal have been repaid. Here is how it works out in practice.

A farmer borrows $1,000 at 5%. The limit of a loan used to be $10,000. It is now $25,000; but take $1,000 as a basis. His first payment, (he pays semi-annually), is $65. That is, $65 is interest, $10 is on principal. Semi-annually, these amounts are $27.50 and $5. The next year of his $65 or $32.50 semi-annual payment, his principal is $990, so that his semi-annual stands $27.36 interest, $5.14 principal. At the end of thirty-four and a half years, his interest is only $1.71, his principal $30.79; and the debt is extinguished. Under the old system, he would have paid interest $55 x 35 years=$1,925, and the principal would still be $1,000. In other words, the farmer would have paid almost $3,000 for $1,000. Under the new system, he saves almost $1,000 in thirty-four and a half years; and we wonder the farmers are "plumb crazy" to work for a new system of credits. As all the farm loans averaged up in the United States are between $2,800 and $3,000 it does not require much figuring to prove what an enormous drain the old system of finance was on agriculture; the drain was invisible and often never suspected by the farmer, who simply could not make ends meet.

Under the Federal Land Bank System up to October 1920, with two years off pending the fight in the courts, since 1916, $757,344,907 have been loaned to farmers. Under the old system, that would have cost the farmers over $2,000,000,000. Under the new system, it costs them roughly two-thirds of the old; and the principal is spread over such a long time, its repayment is never felt but as interest.

And now for facts, 131,035 farmers have been helped, who could not have got succor otherwise. In "frozen credit years" with farm prices at bottom, banks simply could not extend loans to farmers. They could barely carry what had already been loaned let alone increase their credits to the farmers.

Of the total 3,966 national farm-loan associations covering every part of the country, of 131,035 farms, in only two cases had it been necessary to foreclose on delinquents.

Please look at those figures in the worst year agriculture has known since 1839. I shall not quote the cases of bank failures in South Dakota in this period; for they would be ascribed to politics. Nor shall I quote Louisiana; for they would be ascribed to slumping prices in sugar; but take Oklahoma. In six months forty-five farm banks, not in the Federal Farm Loan association, had to close their doors. In six years, only two mortgages had to be foreclosed under the Federal Farm Loans.

But please note another distinction and don't mix it. Bonds run for twenty years, the mortgage for thirty-five. How can the mortgage for thirty-five years pay off the face value of the bond in twenty years? That is one of the soundest features of the scheme. Because each year's payment on the mortgage interest covers a larger and larger proportion of the principal; so that the bond is practically wiped out before the mortgage term has expired.

Of the scheme itself, I shall write in my next.

To the Holders of the THIRTY-YEAR SIX PER CENT FIRST MORTGAGE GOLD COUPON BONDS of AMES HOLDEN McCREADY LIMITED

Due 1st APRIL, 1941

THE financial statement for the year 1921 submitted at the Annual General Meeting of Shareholders of Ames Holden McCready Limited, held on the 26th day of April, 1922, shows a debit profit and loss balance for the year of $1,201,338. It would appear that this loss has resulted from general depression in trade, liquidation of inventories, etc.

The Company has defaulted in the payment of the interest on the above mentioned issue of its First Mortgage Gold Coupon Bonds which became due on the 1st of April, 1922, and has announced that some general scheme of reorganization is necessary in order to provide additional working capital to enable it to continue in operation.

The Company is largely interested in Ames Holden Felt Company Limited and in Ames Holden Tire Company Limited, both of which have been operated as subsidiaries of the parent company. These companies have outstanding issues of First Mortgage Bonds and are largely indebted to trade creditors. The bonds of the subsidiary companies are guaranteed as to principal and interest by the parent company. It would seem apparent that a general plan of reorganization must involve both the parent company and its subsidiaries. Protective Committees have been formed to represent the different classes of bondholders of each of the three companies interested. The ordinary creditors of each company will also be represented by Committees.

In order to protect the interests of the First Mortgage Bondholders of Ames Holden McCready Limited, a Bondholders Protective Committee has been organized with the following members:—

EDWIN HANSON
Hanson Bros., Investment Bankers
Montreal

JAMES HUTCHISON, C.A.
Messrs. Riddell, Stead, Graham & Hutchison
Accountants, Montreal

JOHN M. MACKIE
Financial Agent,
Montreal

This Committee is organized for the sole purpose of protecting the interests of the First Mortgage Bonds deposited under its control. It is earnestly recommended that you deposit your bonds with this Committee by sending them in at once with the April 1st, 1922 and all subsequent coupons attached to The Royal Trust Company, at its offices in Montreal, Toronto, Quebec or Winnipeg, or to the Bank of Montreal, 47 Threadneedle Street, London, E.C., as agents for the Royal Trust Company, Depositary under the Agreement. Registered bonds must be accompanied by instruments of transfer executed in blank. Transferable certificates of deposit will in every case be issued against the deposit of bonds. Bonds will be received for deposit up to and including the 20th of June, 1922.

Copies of the Bondholders Protective Committee Deposit Agreement, under the terms and conditions of which the First Mortgage Gold Coupon Bonds of Ames Holden McCready Limited will be deposited, have been lodged with the Depositary and one or more copies of the same will be delivered to any bondholder on demand.

Montreal, April 27, 1922.

On behalf of the Committee.

STANLEY MacPHERSON,
Secretary.

Secretary's Address :
804 Bank of Toronto Building,
St. James Street, Montreal.

Sterling and other European exchanges will be depressed during next few years, O. T. Falk predicts in the Journal of Commerce, by profit-taking ending of gold shipments, burden of payments on debt to United States, rise in copper and other commodities required by Europe and trade revival here, with decreased readiness to invest abroad.

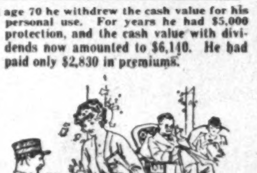
"Have you a Twenty Pay Life Policy?"

A true story of a Canada Life Policy issued over forty years ago.

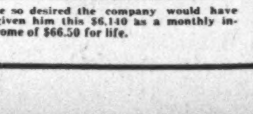
At age 30 he secured a $5,000 Twenty Pay Life Policy

At age 35 he received his first Dividend, which was added to the Policy

At age 50 he received notice that his Policy, with 20 years' Dividends, was fully paid for.



At age 70 he withdrew the cash value for his personal use. For years he had $5,000 protection, and the cash value with dividends now amounted to $6,140. He had paid only $2,830 in premiums.



If he so desired the company would have given him this $6,140 as a monthly income of $66.50 for life.

A Policy on your life will do much towards carrying out your intentions—whether you live or die.

Nothing can absolutely replace your life—but a policy will in some measure offset the financial loss which will come to those who now look to you for support

It may pay off the mortgage, supply food and clothing for your family, keep the children at school

It may be all that is left of your life work—to keep you in comfort in your old age.

But—your Policy must be large enough.

The Twenty Payment Life

policy is selected by many for the following reasons:

Premiums cease in twenty years—therefore your policy will be fully paid for before you reach later life—when your earning power will have declined.

Cash values increase year by year, and after the third annual premium the policy cannot lapse as long as sufficient value exists.

Dividends are paid during the twenty years and as long as the policy remains in force thereafter.

After one year the policy is indisputable, and you may reside or travel in any part of the world, or engage in any occupation (except aviation) without affecting your insurance.

A twenty pay life policy will provide an amount in event of death equal to twenty or thirty times the annual premium, and produce an estate of $2,000, $5,000, $10,000, or more as arranged.

An Easy Savings Plan

These active progressive years of life in which you are earning the most money are the years in which premiums can be most easily met.

Twenty years is a convenient period and premiums spread over that length of time are moderate and easy to handle.

If You Are Insurable

—do not delay decision on this important matter—delays are dangerous.

Canada Life
Home Office
TORONTO

Canada Life Assurance Company,
Dear Sirs—Without obligation on my part, please send me particulars of your Twenty Payment Life Policy.
Name ....
Address ....
Born .... day of .... 18....

12

PRODUCTION COSTS MOVING DOWN

Better Basis of Business Seen by Imperial Bank Head

FARMER DOING BETTER

It is with pleasure that your Directors again approach with the result of a year's operations. You will see that we have had reasonable profits, from which we have been able to pay the usual dividend, a bonus, make contributions to the Pension and Guarantee funds, provide for our Dominion Government Taxes, put aside $200,000 to Bank Premises Reserve and carry forward a somewhat larger sum than last year.

We still think it is prudent to keep this amount large.

The year has been a trying one. Broadly speaking, farming in all its branches has been done at a loss, and the mercantile and manufacturing business of the Country has yielded profit in only exceptional cases.

The Banker of necessity shares the troubles of his customers and has had in consequence a very anxious time. That the Canadian Banks (with one notable exception) should have come through this period in safety and with moderate profit speaks well indeed for the Executives immediately in charge of their affairs, and for the soundness generally of the Mercantile Community.

Were I to attempt to describe the conditions now existing I would to a large extent, repeat what I said last year. There are some changes for the better. The cost of manufacturing and the cost of distributing goods has been somewhat modified, but they are still out of line with the purchasing power of the Country, and I fear business must still be done without an adequate return. The Farmer too I am glad to say has better prospects than a year ago. His seeding has been done under fair conditions, he is economizing, getting his labour cheaper, doing his work cheaper, and producing cheaper in practically all respects than last year, and notwithstanding the restrictions on his markets is getting remunerative prices for hogs, in some cases for cattle, and the promise of reasonable returns for grain; he would seem then to have a good chance of coming out with his accounts on the right side: i. he does, it will help us all mightily. Some branches of Mining are yielding returns; the results from the woods operations and from lumbering should be better than last year; some of the textile industries are doing better; the trapper too I think is getting profit from his furs; automobiles are still selling freely, and in the United States the demand for Iron and Steel has improved with advances in prices in some cases, which must be reflected here; whether the change is the result of the Coal Strike or has a more stable foundation it is hard to say. Building is going on briskly, particularly that of dwellings in this City.

There seems to be a genuine attempt on the part of those now in power at Ottawa to begin to economize, which all parties should encourage, but it is to be feared that the deficits from the Government-owned Railways will more than offset any efforts in that direction, and we must face a growing Dominion debt. The resultant taxation will continue to be a heavy burden on business, and a check on enterprise.

It cannot be necessary to state what must be realized by us all that the Railroad situation is a serious one. In its efforts to arrive at a fair price at which to acquire the Grand Trunk System, which it was thought (rightly or wrongly) necessary to purchase, this Country has put itself in a position to either pay a much larger sum than is thought just or obtain the ill will of the shareholders of that Road and, through them, of the British Public, a position very undesirable indeed. The whole National System too is in the position of accumulating huge deficits at rates that are complained of by the whole Country as too high and which must come down, as its great privately owned competitor is able to reduce them. Will the disparity always continue? I am afraid few of us really believe that Public-owned Utilities can be managed as economically as those which have gain or a return on Capital for their object or that the influence of politics can be entirely eliminated no matter how honest and earnest is the effort to do so, as I think we may concede has been the case, but perhaps we should not despair of some time making ends meet. A prosperous Europe, a freer market to the South of us, a policy tending to less restrictions and towards making this Country a cheaper Country to live and produce in, and thereby fill up our Northwest, is what will help us it would seem to me—though, while we are waiting, our burden must increase. In this connection it is to be hoped that the debt of the Dominion that comes from the outlay on the Railroads and from the deficits in the running of them will be carefully segregated as such and be shown in the Public accounts in a way that the Public can clearly understand—any surplus revenue going to the reduction of the War Debt. It may not make much difference eventually but we should all know what this great experiment in Government ownership finally costs us.

I have spoken of this subject because there is none more important in Canada to all classes.

Provinces and Municipalities are able to borrow freely, and at rates that are encouraging—outlays that are no doubt for very desirable purposes but should be postponed. I think the pinch of taxation will be felt this year, as it has not been felt before, and may bring good results in its effect on this kind of expenditure—and also on personal extravagance. Altogether, although there have been some improvements in some directions, I am of the opinion that, while we are getting nearer a stable level, the processes of readjustment must continue for some time before we will be relieved of our anxieties and another lengthened period of what is called "Good Times" sets in.

Our Branch Managers have as usual sent in their special reports this year. Many of them show a care in preparation and a knowledge of conditions that is highly commendable. I am not going into details, but generally they are hopeful of the prospects of the Bank for this year and in this feeling I share. While it will not be easy I think we can count as far as the Institution is concerned on reasonably satisfactory returns.

Criticism of Banks has been severe during the past year and much said that was not warranted. Suggestions as to closer Government inspection and other possible safeguards have been made. I do not think any Bank would object to any safeguard that would prove effective, but banking as all other businesses depends for its success on those engaged in it and results can only come from their integrity, care and ability. Any attempt to make the business more mechanical, manage it from outside, or remove responsibility from those who should rightfully bear it, can not but be costly in the long run.

I cannot let the occasion pass without making reference to the competition that has been established by some of the Provincial Governments for the Savings of the people. The Provinces exact from Banks a heavy tax on their Principal Offices and on each of their branches within the boundaries of the Province, besides a tax in some cases on Capital, Rest and undivided profits, from all of which Provincial Banking Offices are free. The Chartered Banks also pay heavy Municipal Taxes on their different offices, from which I understand the Government Banking Offices are also free. The Chartered Banks too, for their own protection, are compelled to maintain large reserves of unproductive Cash to meet possible demands from their depositors. I do not wish to be misunderstood—if Provincial Banks can provide an equivalent for this Taxation, keep adequate reserves, be prepared at all times to meet the demands of their depositors, pay a higher rate for their money and lend it at a less rate than the Chartered Banks, without making calls upon the general revenue of the Country, they will be an economic benefit and should be and will be welcomed, but they should not compete unfairly. If they are not doing these things and prove an expense to the general Tax-payer, as I think they must, their competition is unfair and they should be speedily abolished.

It is with much regret that I have to refer to the death of the late General Manager, Mr. William Moffatt and of his predecessor, Mr. Edward Hay. Both had served the Bank long and well and were, in their different ways, exceptional characters. Mr. Moffat's position has been filled by the Appointment of Mr. A. E. Phipps, who was at the time Assistant General Manager. Two Assistant General Managers have been appointed, Mr. Gerald D. Boulton, who was Chief Inspector, and Mr. H. T. Jaffray, who was Western Superintendent. The Office of Chief Inspector has yet to be filled. There have been other changes in the Staff, which will be referred to by the General Manager, the intention of these changes being to promote the efficiency of the service and increase the care with which loans are granted and the closeness with which the Branches are supervised.

The position on the Board left vacant by the death of Mr. Hay has been filled by the Appointment of Mr. J. W. Hobbs, whose business ability will, I am sure, prove of value to the Bank.

It has been felt for some time that our Annual Meeting occurs at a time of year inconvenient to Shareholders, Directors and Staff alike. We are, therefore, venturing to ask you to change the date to the fourth Wednesday in November and make the year end on October 31st, instead of April 30th. This will necessitate another Meeting next November, but it will require to be only of a more or less formal nature. It will be necessary then to present an Audited Statement of the Affairs of the Bank and, as the Auditors have to do practically as much work in the next six months as in a year, we are compelled to ask you to provide nearly as large a sum for their remunerations as for the whole of last year.

From personal knowledge I can vouch for the industry and loyalty of the Staff.

I beg to move the adoption of the report.

THE DOME MINES EARNINGS FOR '21 MAKE NEW RECORD

Net Profits Increase 312 Per Cent. Over Previous Period

GOOD PROSPECTS

Surplus and Net Working Capital Increased Substantially—Ore Reserves Larger

One of the most interesting financial shipments of any Canadian mining company to be published this year, has just been issued by the Dome Mines Company, Limited. The year was a record one in the history of this mine, when net profits amounted to $1,244,922, compared with $302,479 for 1921, and $921,984 for the period preceding that. In other words the net profits for the year increased 312 per cent. over the previous period. But in this respect it will be remembered that the very high operating costs were the chief factor in curtailing profits in 1921, while last year an adequate supply of efficient labor was available. Ample power has been supplied, except for the last twelve days of the period under review. Some reduction took place in the cost of certain supplies, though many items are still very high as compared with prewar prices. Freight rates and taxes are now the most serious charges against profits.

During the year a total of 405,036 tons of ore were hoisted. Of this 360,000 tons was ore which was sent to the mill and treated, and 45,036 tons was waste which was dumped on the surface. The 360,000 tons milled yielded bullion worth $2,809,452, the average yield per ton being $7.80. The tonnage treated shows an increase of 31.5 per cent. over last year and the total value of the bullion produced has increased 44.3 per cent.

Excess Assets Increased

The operating and maintenance account stands at $1,640,844 as against $1,239,508 a year ago, and $930,762 in 1920. The very favorable financial position of the company is indicated by the fact that the net excess assets over current liabilities, amounts to $1,758,165, compared with $1,539,161. Total assets have increased to $8,040,216, as against $7,229,977 of 1920. In keeping with the drop in the cost of construction the insurance carried on the company's plant and equipment has been reduced to $1,608,300. Four dividends of 25 cents per share were paid during the year. In the report of the directors, Jules. S. Bache, the president, points out that "your company has closed a year of great prosperity and we look forward to the future with every confidence."

Development Work

Stoping and development has been carried on from the 6th to the 10th levels and in addition, the mainshaft has been sunk 263.5 feet to a point 58.5 feet below the 13th level in May, 1922. Development work has been started on the 11th level. The improvement in labor and operating conditions has permitted an increase in broken ore reserves amounting to about 70,000 tons, the broken ore reserve now standing at 275,000 tons. This result compares favorably with last year's operating when the ore reserve was depleted by 50,000 tons. Operating costs showed a very slight increase amounting to $4.55 per ton milled, against $4.52 for the previous year. This increase however, is more than accounted for by the increased expenditure on development work, this expenditure amounting to $1.12 per ton milled, as against $0.92 for the former period. There is also an increase of 70,000 tons in the broken ore reserve, as against a reduction of 50,000 tons in the previous year.

General Manager H. P. Depencier, points out that "while the production of the last year has been the greatest in the company's history by 29 per cent., we are confident that the extensive development policy adopted has been successful in placing an equivalent amount in sight, and we can, therefore look forward confidently to similar results from our future operations."

RAILROAD EARNINGS

The Canadian Pacific Railway reports gross earnings for the third week of May amounting to $2,997,000, as compared with $3,069,000 for the corresponding period in 1921, a decrease of $72,000 or 2.3 per cent.

Earnings of the Canadian National Railways for the week ending May 21, amounting to $2,218,892, compared with $1,915,301, an increase of $303,590, or 15.8 per cent.

The Grand Trunk Railway shows earnings amounting to $1,882,109, a decrease of $17,611, or .9 per cent.

STRUCTURAL STEEL SALES

Orders During April Almost Equal To Plant Capacity

Orders for fabricated structural steel placed during April were almost equal to the capacity of fabricating firms, according to reports made to the U. S. Department of Commerce by firms comprising two-thirds of the fabricating capacity of the United States. Sales reported during April amounted to 115,247 tons by 75 firms having a capacity of 116,916 tons, or at the rate of 99 per cent. of capacity.

At this rate, the total sales throughout the United States, based on a total capacity of 180,000 tons, were 177,600 tons in April. This compares with 139,300 tons reported for March by the Bridge Builders and Structural Society, based on reports of 64 firms showing sales at 77 per cent. of capacity.

OUTLOOK IMPROVES FOR NICKEL INDUSTRY

Significant Announcement of Resumption of Port Colborne Refinery

From Our Own Correspondent.

NEW YORK.—The announcement made here during the week that the International Nickel Corporation is about to resume the operation of its Port Colborne refinery may be accepted as an indication of the feeling among those in closest touch with conditions in the nickel industry that the corner has been turned and the worst of the depression which has held the nickel producing companies in its grip is past. For while there appears to be little reason to be unduly optimistic about the volume of business offering in the nickel market, at the moment, a slight improvement has certainly occurred. Inquiries, your correspondent is told, have broadened somewhat during the past month. But this while cheering is hardly sufficient justification for the resumption at Port Colborne. The real reason behind the resumption seems to be the belief on the part of the directors of the International that this slight improvement will continue throughout the balance of the current year and that in 1923 the real recovery will come in the nickel industry.

Such optimism regarding the immediate future as exists in the industry is based upon the reports received from abroad within the past week or so in regard to the state of the foreign nickel market. These reports indicate that the greater part of the war time stocks of nickel have been wiped out and that inquiries are beginning to be received from consumers.

VENEZUELA WANTS CANADIAN PRODUCTS

Trade Commissioner is Making Inquiries for Food Stuffs at Montreal

From Our Own Correspondent.

MONTREAL.—Venezuela is energetically looking for a bigger market for her produce in Canada and at the same time is looking for food-stuffs for her people.

This week Guillermo Todd the Venezuela Trade Commissioner was in Montreal and called on the MacLean Publishing Co.. He said that the low prices on sugar had been hard on the people of Venezuela but that cocoa and coffee production has been good. The biggest shipments have been sent to England, but Canada offered a good market, although most of the buying was done through New York. Mr. Todd hopes that a direct and permanent shipping service may be established between Canada and Venezuela. The first vessel in this direct service leaves Montreal on June 28, one of the fleet of the Canadian Government Merchant Marine.

Mr. Todd wishes to say to the Canadian manufacturers of food-stuffs, that if any one desires to establish connections in Venezuela the government of that country will be pleased to publish free of cost in all the papers the names of those merchants or manufacturers and their products. Mr. Todd may be reached any time this month by addressing him care MacLean Publishing Co., Montreal.

The food products Venezuela is particularly anxious to get from Canada are fish, salted and canned, fruits and vegetables, flour, cheese, butter, bacon and lard. In speaking of the opportunity, Mr. Todd said that "In the past much of their flour had been obtained from the United States but they all know that Canadian flour is the best in the world. We are anxious to get the best. The great trouble in the past has been freight service and we now want your government to give us a regular service so that we can trade direct with Canada."

Ore receipts at Trail Smelter for the second week of May totalled 7,701 tons, 7,107 tons of which were produced by the company's mines and 594 tons by other mines. For the week ending May 21, the receipts totalled 6,649 tons, while from January 1 to May 21, the total was 169,968 tons.

Grand Trunk Begins Big Work at Detroit

Decision of Grand Trunk Railway to begin grade separations in Detroit is first step in improvement program which will add a large industrial area to company's freight producing territory. Plans call for double tracking road from Detroit to Pontiac 26 miles, depressing of five miles of track in city limits and improvements in terminal and ferry facilities which will permit running through Chicago-Montreal trains via Detroit instead of via St. Clair tunnel at Port Huron.

Roy Chapin, president of Hudson Motor Car Co., and others recently purchased 1,000 acres of land east of Pontiac. Other industrial interests have taken options in that section and it is understood intensive development of a large manufacturing district along the Grand Trunk will begin coincident with commencement of the railway's improvement program.

Estimates of expenditures by the Grand Trunk for this work run around $20,000,000.

DIVIDENDS

BRAZILIAN TRACTION LIGHT AND POWER COMPANY, LIMITED

Incorporated under the laws of Canada

Preference Shares

Notice is hereby given that a quarterly dividend of 1½ per cent. has been declared on the Cumulative Preference Shares of the Company, payable on the 1st day of July, 1922, to shareholders of record at the close of business on the 15th day of June, 1922.

J. M. SMITH,
Secretary.

Toronto, Canada, June 1st, 1922.

The Mexican Light & Power Company, Limited

(Incorporated under the Laws of Canada.)
5 PER CENT. FIRST MORTGAGE GOLD BONDS

The Mexican Electric Light Company, Limited

(Incorporated under the Laws of Canada.)
5 PER CENT. FIRST MORTGAGE GOLD BONDS

Pachuca Light and Power Company

5 PER CENT. 50-YEAR FIRST MORTGAGE BONDS

NOTICE IS HEREBY GIVEN that in pursuance of the terms of the Agreement of Arrangement, dated 30th May, 1921, and confirmed by the holders of the above-mentioned Bonds at the meetings held on the 29th June, 1921, the half-yearly Interest Coupons specified below will be paid in accordance with the tenor thereof on and after the 30th June, 1922 as follows:

THE MEXICAN LIGHT AND POWER CO., LIMITED, 5 Per Cent. 50-Year First Mortgage Gold Bonds—Coupons Nos. 34 and 35, due respectively 1st February and 1st August, 1920.

and

THE MEXICAN ELECTRIC LIGHT COMPANY, LIMITED, 5 Per Cent. First Mortgage Gold Bonds—Coupons Nos. 29 and 30, due respectively 1st January and 1st July, 1920—

At the Bank of Montreal, Toronto and Montreal, Canada; London, England, or at their Agency in New York, U.S.A.

PACHUCA LIGHT AND POWER COMPANY, 5 Per Cent. 50-Year First Mortgage Bonds—Coupons Nos. 19 and 20, due respectively 1st April and 1st October, 1920—

At the Canadian Bank of Commerce, London, England; Toronto and Montreal, Canada, or at their Agency in New York, U.S.A.

Dated this 31st day of May, 1922.
For the above-named Companies.
R. H. MERRY.

The Bank of Nova Scotia

Dividend No. 210

Notice is hereby given that a dividend at the rate of 4% on the paid-up Capital Stock of this Bank has been declared for the quarter ending June 30th, 1922, and that the same will be payable on and after Monday, the 3rd day of July next, at any of the offices of the Bank in Canada.

The Stock Transfer Book will be closed from the 16th to the 30th proximo, inclusive.

By order of the Board.
H. A. RICHARDSON,
General Manager.

Halifax, N.S., May 19th, 1922.

The SHERWIN-WILLIAMS COMPANY of Canada Limited

Notice is hereby given that Divident No. 7 of One and One Half Per Cent. (1½%), for quarter ending May 31st, 1922, upon the Common Stock of the Company, has been declared, payable to Shareholders of record the Fifteenth day of June, 1922, and cheque for same will be mailed on June Twenty-sixth next.

Books not closed.

By order of the Board,
J. H. GORDON,
Secretary-Treasurer.
Montreal, May 29th, 1922.

The Sherwin-Williams Company of Canada, Limited

Notice is hereby given that the Forty-fourth Quarterly Dividend of One and Three-quarters Per Cent. (1¾%), being at the rate of Seven Per Cent (7%) per annum, for quarter ending May 31st, 1922, upon the Preferred Stock of the Company, has been declared, payable to Shareholders of record the Fifteenth day of June, 1922, and cheques for same will be mailed on the Twenty-sixth day of June next.

Books not closed.
By order of the Board,
J. H. GORDON,
Secretary-treasurer.
Montreal, May 29th, 1922.

TENDERS WANTED

TOWN OF AMHERSTBURG

6 per cent. debentures---$17,252.00 of ten equal annual instalments, debentures and interest coupons due first day of June each year.

Tenders for the above will be received up to 8 o'clock p.m., June 12th, 1922.

W. A. McCormick
Town Clerk
Amherstburg, Ont.

DIVIDENDS

DOMINION GLASS COMPANY LIMITED

Dividend Notice

Notice is hereby given that a dividend of one and three-quarters per cent. (1¾%) has been declared on the PREFERRED STOCK of Dominion Glass Company, Limited, for the quarter ending the 30th day of June, 1922, payable Saturday, the 1st day of July, 1922, to Shareholders of record at the close of business Thursday, the 15th day of June, 1922.

By order of the Board.
MERVYN OFFER,
Comptroller and Secretary.
Montreal, 18th May, 1922.

DOMINION GLASS COMPANY LIMITED

Dividend Notice

Notice is hereby given that a dividend of one and one-half per cent. (1½%) has been declared on the COMMON STOCK of Dominion Glass Company, Limited, for the quarter ending the 30th day of June, 1922, payable Saturday, the 1st day of July, 1922, to Shareholders of record at the close of business Thursday, the 15th day of June, 1922.

By order of the Board.
MERVYN OFFER,
Comptroller and Secretary.
Montreal, 18th May, 1922.

DIVIDEND NUMBER 98

HOLLINGER CONSOLIDATED GOLD MINES LIMITED

("No Personal Liability")

A dividend of 1% on the paid-up capital stock of the Company has been declared payable on the 17th day of June, 1922, on which date cheques will be mailed to shareholders of record at the close of business on the 2nd day of June, 1922.

DATED the 26th day of May, 1922.
D. A. DUNLAP,
Treasurer.

DOM. TEXTILE COMPANY Limited

Notice of Dividend

A dividend of three per cent. (3%) on the Common Stock of the DOMINION TEXTILE COMPANY, LIMITED, has been declared for the quarter ending 30th June, 1922, payable July 3rd, to shareholders of record 15th June, 1922.

By order of the Board.
JAS. H. WEBB,
Secretary-Treasurer.
Montreal, 29th May, 1922.

DOM. TEXTILE COMPANY Limited

Notice of Dividend

A dividend of one and three-quarters per cent. (1¾%) on the Preferred Stock of the DOMINION TEXTILE COMPANY, LIMITED, has been declared for the quarter ending 30th June, 1922, payable July 15th, to shareholders of record June 30th, 1922.

By order of the Board.
JAS. H. WEBB,
Secretary-Treasurer.
Montreal, 29th May, 1922.

THE TRINIDAD ELECTRIC COMPANY LTD.

Notice is hereby given that a Dividend of 1% for the quarter ending June 30th, 1922, on the Capital Stock of the Company, has been declared.

Warrants will be issued and mailed to the address of each shareholder and are payable at the Royal Bank of Canada, Halifax, N.S., on and after the 10th of July, 1922.

The transfer books of the Company will be closed from the 1st to the 10th of July, both days inclusive.

By order of the Board,
F. B. Oxley, Secretary,

The Hamilton Provident and Loan Corporation

DIVIDEND NO. 102

Notice is hereby given that a Dividend of Five Per Cent., (being at the rate of ten per cent. per annum), upon the Paid-up Capital of the Corporation has been declared for the half year ending June 30th, 1922, payable on and after the 3rd day of July next.

The Transfer Books will be closed from the 15th to the 30th June, inclusive.

By order of the Board,
D. M. CAMERON,
General Manager.

Hamilton, Ontario,
May 30th, 1922.